***United States Court of Appeals***

***for the Second Circuit***

# APPENDIX

# 75-7165
# 75-7166

## United States Court of Appeals
FOR THE SECOND CIRCUIT

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA,
*Plaintiff-Appellant,*

*against*

UNITED BRANDS COMPANY,
*Defendant-Appellee.*

---

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA,
*Plaintiff-Appellant,*

*against*

COMPANIA AGRICOLA DE GUATEMALA,
*Defendant-Appellee.*

APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

## JOINT APPENDIX—VOLUME II (2)
## PLAINTIFF'S EXHIBITS

UNITED STATES COURT OF APPEALS
FILED
JUL 16 1975
A. DANIEL FUSARO, CLERK
SECOND CIRCUIT

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## TABLE OF CONTENTS


| | Page No. |
|---|---|
| PX 906 ..... | 658A |
| PX 907 ..... | 660A |
| PX 908 ..... | 665A |
| PX 909 ..... | 669A |
| PX 910 ..... | 673A |
| PX 911 ..... | 675A |
| PX 912 ..... | 677A |
| PX 913 ..... | 681A |
| PX 914 ..... | 683A |
| PX 915 ..... | 686A |
| PX 939 ..... | 690A |
| PX 947 ..... | 692A |
| PX 949 ..... | 703A |
| PX 971 ..... | 708A |
| PX 988 ..... | 709A |
| PX 1001 ..... | 711A |
| PX 1027 ..... | 713A |
| PX 1031 ..... | 718A |
| PX 1032 ..... | 719A |
| PX 1043 ..... | 724A |
| PX 1043A ..... | 725A |
| PX 1079 ..... | 728A |
| PX 1080 ..... | 734A |
| PX 1081 ..... | 738A |

TABLE OF CONTENTS


| | Page No. |
|---|---|
| PX 1082 ..... | 742A |
| PX 1083 ..... | 748A |
| PX 1108 ..... | 753A |
| PX 1115 ..... | 754A |
| PX 1127 ..... | 759A |
| PX 1132 ..... | 761A |
| PX 1208 ..... | 762A |
| PX 1287 ..... | 764A |
| PX 1328 ..... | 765A |
| PX 1329 ..... | 766A |
| PX 1363 ..... | 767A |
| PX 1364 ..... | 798A |
| PX 1365 ..... | 801A |
| PX 1392 ..... | 803A |
| PX 1396 ..... | 806A |
| PX 1408 ..... | 808A |
| PX 1409 ..... | 809A |
| PX 1410 ..... | 810A |
| PX 1415 ..... | 811A |
| PX 1420 ..... | 813A |
| PX 1433 ..... | 815A |
| PX 1465 ..... | 817A |
| PX 1471 ..... | 819A |
| PX 1479 ..... | 820A |

TABLE OF CONTENTS


| | Page No. |
|---|---|
| PX 1483 | 821A |
| PX 1491 | 822A |
| PX 1494 | 825A |
| PX 1495 | 827A |
| PX 1496 | 830A |
| PX 1497 | 831A |
| PX 1499 | 832A |
| PX 1500 | 835A |
| PX 1502 | 837A |
| PX 1503 | 838A |
| PX 1504 | 840A |
| PX 1505 | 843A |
| PX 1506 | 844A |
| PX 1508 | 845A |
| PX 1509 | 846A |
| PX 1509A | 847A |
| PX 1517 | 848A |
| PX 1518 | 851A |
| PX 1520 | 860A |
| PX 1526 | 866A |
| PX 1527 | 869A |
| PX 1528 | 871A |
| PX 1532 | 894A |

TABLE OF CONTENTS


| | Page No. |
|---|---|
| PX 1533 ..... | 898A |
| PX 1534 ..... | 899A |
| PX 1550 ..... | 903A |
| PX 1551 ..... | 906A |
| PX 1557 ..... | 908A |
| PX 1558 ..... | 909A |
| PX 2234 ..... | 910A |
| PX 2302 ..... | 912A |
| PX 2372 ..... | 914A |
| PX 2426 ..... | 917A |
| PX 2441 ..... | 918A |

PX 906

658A

May 18, 1948

Contract between IRCA and Agricola

Cancelling the Contracts for

Trackage Rights and for

Operation of Trains Dated

September 17, 1936

(PX 31)

PX 906

659A

Agreement made this 18th day of May 1948 between INTERNATIONAL RAILWAYS OF CENTRAL AMERICA, a New Jersey corporation hereinafter called the "International Company", and COMPAÑIA AGRICOLA DE GUATEMALA, a Delaware company hereinafter called the "Guatemala Company";

WHEREAS the parties have made new arrangements superseding those previously existing covering trackage rights and operation of trains;

NOW THEREFORE in consideration of the premises and the mutual premises of the parties, they agree:

1. The agreements between the International Company and the Guatemala Company dated September 17, 1936, for trackage rights and operation of trains are hereby cancelled effective January 1, 1948.

IN WITNESS WHEREOF the parties have executed these presents by their duly authorized officers the day and year first above written.

ATTEST:

Frank I. Tennyson

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

By (Signed) T. Bradshaw

(SEAL)

ATTEST:

Arthur K. Nicholson

COMPAÑIA AGRICOLA DE GUATEMALA

By (Signed) Thomas D. Cabot

(SEAL)

PX 907 660A

May 18, 1948

Contract between IRCA and Agricola

for Trackage Rights

(PX 34)

PX 907

661A

COPY

This Agreement made this 10th day of May 1948 between the INTERNATIONAL RAILWAYS OF CENTRAL AMERICA, a New Jersey corporation hereinafter called "International Company", and the COMPAÑIA AGRICOLA DE GUATEMALA, a corporation organized under the laws of the State of Delaware, hereinafter called "Guatemala Company";

WHEREAS Guatemala Company operates a railroad line on the Pacific Coast of Guatemala and is authorized under contracts with the Government of Guatemala to build additional lines and to extend them as far as it may see fit; and

WHEREAS Guatemala Company expects to develop a large amount of banana traffic destined for Puerto Barrios on the Atlantic side; and

WHEREAS Guatemala Company will own and provide the necessary locomotives and banana cars to handle this traffic in the prompt and careful manner demanded by its perishable nature and tropical conditions; and

WHEREAS to do so Guatemala Company desires the right to run its trains over the tracks of International Company and International Company is willing to grant Guatemala Company such right on the terms and conditions hereinafter set out;

NOW THEREFORE in consideration of the premises and of the mutual promises of the parties, they agree as follows:

1. International Company hereby grants to Guatemala Company the right to run over the lines comprising the system of International Company on both the Atlantic and Pacific sides, trains of Guatemala Company carrying bananas grown on the Pacific Coast of Guatemala and destined to Puerto Barrios for export. While traveling over the lines of International Company the trains of Guatemala Company may pick up and carry bananas

PX 907

662A



of Guatemala Company and its affiliated companies but no other class of freight or passengers.

2. While traveling on the lines of International Company the banana trains of Guatemala Company shall be subject to the regulations and dispatch orders of International Company in the same manner as if they were the trains of International Company. However, in view of the perishable nature of bananas and the necessity for speed in their transportation, International Company agrees that it will continue to give preference to banana trains over all other types of transportation except regular passenger trains. In any event, International Company shall so conduct its train dispatching as to permit the banana trains of Guatemala Company to reach Puerto Barrios within twenty-four (24) hours from any point east of Retalhuleu and within thirty-six (36) hours from any point west of Retalhuleu, force majeure and accidents beyond the control of the International Company being always excepted.

3. Guatemala Company grants to International Company the right to run its trains over the lines of the Guatemala Company on the Pacific side, now built or which shall hereafter be built, for any purpose whatsoever and at any time or from time to time and Guatemala Company shall maintain such lines in proper condition for the safe and efficient operation of any of the locomotives used by the International Company as long as the transportation thereon of the bananas of the Guatemala Company continues. While on the lines of Guatemala Company, the trains operated by International Company shall be run in accordance with the regulations and dispatch orders of Guatemala Company and International Company shall hold Guatemala Company

PX 907 663A



safe and harmless from any and all liability, loss, cost or expense caused by the said trains of International Company on lines of Guatemala Company except to the extent that these are due to the negligence of the Guatemala Company and its employees.

4. This agreement is made at a time of great development in the banana transportation business on the West Coast of Guatemala and shall extend until January 1, 1968, in furtherance of the desire of both parties to put this matter of banana transportation on the West Coast on a satisfactory basis for each of them for a period of years.

5. For the trackage rights hereinabove granted, the Guatemala Company agrees, in addition to the other valuable rights granted to International Company, to pay International Company effective as of January 1, 1948 $12.00 United States currency of legal tender per loaded car hauled to Puerto Barrios, or its equivalent in Guatemalan currency at current exchange if payment in the latter currency is required by Guatemalan law, it being understood that this charge is to include all use of the lines, wharves and facilities of the International Company including the return of empty banana cars and the carrying of pickup employees of the Guatemala Company. For the trackage rights granted by the Guatemala Company to the International Company there shall be no charge.

6. The Guatemala Company shall pay the International Company the amounts due under this agreement monthly within twenty (20) days following the end of each month.

PX907 664A



IN WITNESS WHEREOF the parties have hereunto signed these presents by their duly authorized officers the day and year first above written.

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

By (Signed) T. Bradshaw

ATTEST:

(SEAL)

Frank I. Tennyson

COMPAÑIA AGRICOLA DE GUATEMALA

By (Signed) Thomas D. Cabot

ATTEST:

(SEAL)

Arthur E. Nicholson

PX 908 665 A

May 18, 1948

Contract between IRCA and Agricola

for Operation of Trains

(PX 35)

PX 908

666 PY A

This Agreement made this 18th day of May 1948 between the INTERNATIONAL RAILWAYS OF CENTRAL AMERICA, a New Jersey corporation, hereinafter called "International Company", and the COMPAÑIA AGRICOLA DE GUATEMALA, a corporation organized under the laws of the State of Delaware, hereinafter called "Guatemala Company";

WHEREAS by agreement dated May 18, 1948, International Company granted Guatemala Company the right to run its banana trains to Puerto Barrios over the lines of International Company; and

WHEREAS International Company for various good reasons is desirous of performing for the account of the Guatemala Company certain activities hereinafter mentioned; and

WHEREAS it is convenient for the Guatemala Company to have this work done for it by the International Company;

NOW THEREFORE in consideration of the premises and the mutual promises of the parties, they agree as follows:

1. International Company shall furnish the personnel for and operate the trains and equipment provided by Guatemala Company for the prompt and efficient movement of its bananas to Puerto Barrios over the lines of International Company as well as the lines of Guatemala Company. The said personnel shall be the employees of International Company and subject only to its orders and regulations. Guatemala Company will be in no way responsible for any losses, damages, delays, injuries and deaths caused by the operation of the said banana trains, and International Company shall hold Guatemala Company safe and harmless from any and all such liabilities as well as for the loss of or damage to fruit and other property of the Guatemala Company in the manner provided in the contracts between Inter-

PX 908

667A



national Company and United Fruit Company.

2. International Company agrees to maintain the locomotives and rolling stock of Guatemala Company used in the transportation of bananas to Puerto Barrios in proper state of repair for prompt and efficient service and, furthermore, to pay to Guatemala Company a sum equal to the unamortized value on the latter's books of such equipment as may be destroyed or damaged beyond reasonable repair provided, however, that International Company shall not be responsible for damage or destruction due to defects in the lines of Guatemala Company and affiliated companies, or occurring while such equipment is in the custody of Guatemala Company on the lines of Guatemala Company or its affiliated companies. This paragraph relates to the thirty-five (35) locomotives and six hundred forty (640) banana cars now operated by International Company under this agreement, the six (6) locomotives, six (6) Diesel electric locomotive units and one hundred fifty (150) banana cars now on order for the Guatemala Company, and such additional equipment as the parties may hereafter agree upon.

3. International Company shall use its own fuel and other materials in operating the banana trains of Guatemala Company, and keeping them in proper repair.

4. In operating the trains of the Guatemala Company, the International Company shall make such arrangements with the Guatemala Company as to notices, spotting of cars, pickup of bananas, and other steps in the prompt and efficient transportation of bananas as the parties may agree upon, and in the absence of agreement on any point the parties will follow the same procedure and practices now being used by them, with the further understanding that the International Company shall perform the same services on the main line

PX 908 668A



and other lines constructed and to be constructed by the Guatemala Company if the latter so wishes.

6. Monthly, and within twenty (20) days from the receipt by it of the statement of International Company for the services performed hereunder, the Guatemala Company shall make payment of the same.

6. This agreement shall be effective as of January 1, 1940, and shall extend for a period of twenty (20) years from that date.

IN WITNESS WHEREOF the parties have executed these presents by their duly authorized officers the day and year first above written.

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

By (Signed) T. Bradshaw

ATTEST:

(SEAL)

Frank I. Tennyson

COMPAÑIA AGRICOLA DE GUATEMALA

By (Signed) Thomas D. Cabot

ATTEST:

Arthur E. Nicholson

(SEAL)

PX909 669A

May 18, 1948

Letter Agreement between IRCA and Agricola

Supplementary to the

Contract for Operation of Trains

(PX 37)

PX.909

670A

COPY

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA
20 Exchange Place
New York 5, N.Y.

May 18, 1948.

Compania Agricola de Guatemala
Boston, Mass.

Dear Sirs:

With reference to paragraph 5 of the operating agreement between this Company and your Company dated May 18, 1948, we wish to state that as a supplement thereto it is agreed that the amount which you will pay us for operating your trains shall be fixed, subject to the subsequent provisions of this letter, at $63.00 per car of bananas transported to Puerto Barrios.

At the present time we are operating for you 35 locomotives and 640 banana cars. It is understood that these locomotives and banana cars are to be used primarily for the banana trains of the Compania Agricola and secondarily for the transportation of the bananas of the United Fruit Company, your affiliate. However, whenever these locomotives and banana cars are not required by you for making up your banana trains and when they are not required for transportation of the bananas of the United Fruit Company, they are to be at our disposition for use in carrying the freight of the general public. For this use we agree to pay you at the rate of $1,975. each per year for the locomotives and at the rate of $60.00 each per year for the cars.

We further understand that you have under order 6 Baldwin locomotives, 6 Diesel electric locomotive units, and 150 banana cars, and that when this equipment is delivered in Guatemala it will be turned over to us as operators of your banana trains and will be subject to the same rights of use by us hereinbefore prescribed for the existing equipment. For such use the International Railways will pay you for the 6 Baldwin locomotives and 150 banana cars an amount per annum equivalent to 4% of the cost of such equipment

PX 909

671A



erected and placed in service in Guatemala, and for the 6 Diesel electric locomotive units the charge will be 5% per annum of such cost.

Any additional equipment beyond that already described which may be acquired by you for your banana transportation business in Guatemala may be made subject to this agreement by mutual consent of the parties.

When and if you decide that any of the equipment operated by us for you under this arrangement is no longer required for your banana transportation business in Guatemala, we shall have the right to acquire all or any part of such equipment by paying you an amount equal to the then value of the equipment on the books of your Company.

The arrangement provided for in this letter shall be effective as of January 1st, 1948 and shall be for the same period as the contract dated May 18, 1948, between us for trackage rights and operation of trains.

Payments under the trackage rights agreement and under the agreement for operation of trains as supplemented by this letter shall be made in United States dollars payable in New York City unless payment is required to be made in Guatemalan money by the law of that country, in which event Guatemalan money shall be paid equivalent to the stipulated number of United States dollars at the then current rate of exchange.

It is understood that we have just gone through a period of substantial change in the level of prices and that while it is possible that prices as they affect operations of either of us may become stabilized at approximately their present level, it is also possible that some further radical decline or rise may take place quite apart from any change in monetary methods and that such a change may be upon the operations of one or the other a burden which is not now predictable. With these considerations in mind, it is understood that at any time or from time to time during the term of

PX 909

672A



this contract either of us shall have the right to make written request to the other for reconsideration of the rates of payment provided, on the following basis:

It shall be assumed that the present rates of payment are fair for both of us under existing price levels. Such rates shall be modified to effect and maintain an equitable adjustment of the burden caused by such change in prices in so far as the same shall affect the cost and charges of producing, acquiring and selling Guatemalan bananas, and all the cost and charges of providing transportation for such bananas or any of such costs and charges. We will both endeavor to agree within a reasonable time upon modifications upon such basis. In the event of failure of agreement within ninety days, rates of payment may be modified by arbitration, each party to select one arbitrator with a third arbitrator to be selected by them in the event of their discord. Otherwise, the arbitration shall be governed by the laws of the State of New York.

If you approve this agreement, kindly indicate your acceptance on the line reserved for this below on both copies and return one copy to us.

Very truly yours,

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

By (Signed) T. Bradshaw
President

ACCEPTED:

COMPANIA AGRICOLA DE GUATEMALA

By (Signed) Thomas D. Cabot
President

PK 910

673A

May 18, 1948

Contract between IRCA and Agricola

Relating to Construction of

Port on Pacific Coast

(PX 32)

PX910 674A

This Agreement made this 18th day of May 1948 between the INTERNATIONAL RAILWAYS OF CENTRAL AMERICA, a New Jersey corporation hereinafter called "International Company", and the COMPAÑIA AGRICOLA DE GUATEMALA, a corporation organized under the laws of the State of Delaware, hereinafter called "Guatemala Company";

NOW THEREFORE in consideration of the premises and of the mutual promises of the parties, they agree as follows:

1. That until January 1st, 1963, the Guatemala Company will exercise its rights under existing contracts with the Government of Guatemala to build a port on the Pacific seaboard only at such time and in such manner as shall be agreed by the International Company and the Guatemala Company in their mutual interest; and also that during the said period the Guatemala Company will use the main lines of the International Company to transport its bananas and to carry its imported materials and supplies under such arrangements as the parties hereto may agree upon from time to time.

2. If for any reason the contract for trackage rights and the contract for operation of trains, both dated May 18, 1948, should terminate prior to January 1, 1963, this contract shall likewise terminate at the same time.

IN WITNESS WHEREOF the parties have hereunto signed these presents by their duly authorized officers the day and year first above written.

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

ATTEST: (SEAL)

By (Signed) T. Bradshaw

Frank I. Tennyson

COMPAÑIA AGRICOLA DE GUATEMALA

ATTEST:

By (Signed) Thomas D. Cabot

Arthur E. Nicholson

(SEAL)

PK 911 675A

31

May 18, 1948

Letter Agreement between IRCA and Agricola

Relating to Widening of

Banana Cars

(PX 36)

PX 911

676A

COPY

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA
20 Exchange Place
New York 5, N.Y.

May 18, 1948.

Compania Agricola de Guatemala
Boston, Mass.

Dear Sirs:

As you know, we are widening the banana cars owned by our Company, as well as those owned by you, as we are able to get the available materials and labor. You are to reimburse us for the expense of widening your cars as each job is completed, and in connection with the agreement between us for operation of trains dated May 18, 1948, and the letter agreement supplemental thereto, we agree that for the rights of use granted to us therein we will pay for the use of the banana cars in addition to the amount stated in the letter 4% per annum of the cost of widening.

Kindly acknowledge your acceptance of this arrangement by returning one copy of this letter duly executed.

Very truly yours,

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

By (Signed) T. Bradshaw
President

ACCEPTED:

COMPANIA AGRICOLA DE GUATEMALA

By (Signed) Thomas D. Cabot
President

PX 912

677A

32

May 18, 1948

Contract between IRCA and UFCo

Extending Certain Contracts,

PX 20, 21 and 22, and

Fixing Banana Freight Tariff

(PX 33)

PX 912 678A

Agreement made this 18th day of May 1948 between the UNITED FRUIT COMPANY, a company organized under the laws of the State of New Jersey, hereinafter called the "Fruit Company", and the INTERNATIONAL RAILWAYS OF CENTRAL AMERICA, also a New Jersey corporation, hereinafter called the "International Company";

WHEREAS the Fruit Company and the International Company made certain contracts dated September 17, 1936, which they now desire to modify in certain respects;

NOW THEREFORE in consideration of the premises and the mutual promises of the parties to each other made and other valuable consideration, the receipt whereof is hereby acknowledged, the parties hereto have declared and agreed as follows:

1. The contract between the Fruit Company and the International Company relating to the construction of a port in the Gulf of Amatique dated September 17, 1936, is hereby extended from September 17, 1956, to January 1, 1963.

2. The contract between the Fruit Company and the International Company for supplying gravel from Las Quebradas dated September 17, 1936, is hereby extended from September 17, 1956, to January 1, 1968.

3. The contract between the Fruit Company and the International Company for the use of the main line of the Fruit Company between Quirigua and Bananera dated September 17, 1936, is hereby extended from September 17, 1956, to January 1, 1968.

4. In consideration of the special services and facilities

PX 912

679A

furnished by the Fruit Company as a connecting carrier and the other valuable consideration herein set forth the International Company will charge the Fruit Company until January 1st, 1968, eleven and one-half cents (11-1/2¢) U. S. money per stem or its equivalent in Guatemalan currency at the current rate of exchange, if payment is required to be made in the latter money by Guatemalan law, for all bananas delivered to the International Company on the Atlantic side of Guatemala and transported to Puerto Barrios, the said payment by the Fruit Company to include all charges in connection with placing the bananas alongside steamer on the wharf at Puerto Barrios.

5. The rates stipulated in the preceding paragraph may be modified at any time hereafter during the life of this contract if necessary to effect and maintain an equitable adjustment of the burdens caused by changes in the level of prices in so far as the same shall affect the cost and charges of producing, acquiring and selling Guatemalan bananas and all the cost and charges of providing transportation for such bananas or any of such costs and charges. The parties will endeavor to agree within a reasonable time after a request for modification has been received from the other upon a mutually satisfactory basis. In the event of inability of the parties to reach an agreement within ninety days, the matter shall be referred to arbitrators, one to be selected by each party, and in the event of discord between them they shall select a third arbitrator. Otherwise the matter shall be governed by the laws of arbitration of the State of New York, and it is assumed that the present rates of payment are now fair for both parties under the price levels existing at the time this contract is executed.

PX 912

680 A

IN WITNESS WHEREOF the parties have caused their corporate seals to be hereto affixed and these presents to be executed by their proper officers thereunto duly authorized as of the day and year first above written.

ATTEST:

(Sgd.) Arthur E. Nicholson

(SEAL)

UNITED FRUIT COMPANY

By (Signed) Thomas D. Cabot

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

ATTEST:

(Sgd.) Frank I. Tennyson

By (Signed) T. Bradshaw

(SEAL)

PX 913 681A

May 18, 1948

Contract between IRCA and UFCo

Cancelling Contract Dated

February 3, 1933

Covering Pacific Coast Rates

(PX 38)

PX 913 682A

AGREEMENT made this 16th day of May 1948 between the INTERNATIONAL RAILWAYS OF CENTRAL AMERICA, a New Jersey corporation, hereinafter called the "International Company", and the UNITED FRUIT COMPANY, also a New Jersey corporation, hereinafter called the "Fruit Company";

NOW THEREFORE in consideration of the premises and of the mutual promises of the parties they agree as follows:

1. The supplemental contract between the International Company and the Fruit Company covering Pacific Coast rates dated February 3, 1933, is hereby cancelled.

IN WITNESS WHEREOF the parties have hereunto signed these presents by their duly authorized officers the day and year first above written.

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

ATTEST:

Frank I. Tennyson
Secretary

By (Signed) T. Bradshaw
President

(SEAL)

UNITED FRUIT COMPANY

ATTEST:

Arthur E. Nicholson

By (Signed) Thomas D. Cabot

(SEAL)

PX 914 683A

May 22, 1952

Letter Agreement between IRCA and Agricola

Increasing Charges for

Trackage Rights and for

Operation of Trains

(PX 1891)

C
O
PX 914

684A

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

15 Exchange Place

Jersey City 2, N. J.

May 22, 1952

Compania Agricola de Guatemala,
80 Federal Street,
Boston 10, Massachusetts.

Dear Sirs:

Confirming the result of discussions and negotiations between our respective representatives, it is hereby agreed that, effective as of July 1, 1951, the payment to be made by you to us under paragraph 5 of the Agreement between us for Trackage Rights, dated May 18, 1948, shall be increased to $15.00 United States currency of legal tender per loaded car hauled to Puerto Barrios.

With reference to paragraph 5 of the Agreement between us for Operation of Trains, dated May 18, 1948, and the letter supplement thereto of the same date, it is agreed that, effective as of July 1, 1951 and until May 31, 1952, the amount which you will pay us for operating your trains shall be increased and fixed, subject to the other provisions of said letter supplement, at $70.00 per car of bananas transported to Puerto Barrios.

Further with reference to paragraph 5 of said Agreement between us for Operation of Trains, dated May 18, 1948, and the letter supplement thereto of the same date, it is agreed that, effective June 1, 1952, the amount which you will pay us for operating your trains shall be increased and fixed, subject to the other provisions of said letter supplement, at $75.00 per car of bananas transported to Puerto Barrios. This last increase is in view of the imminent and substantial increase in the price of fuel oil with which we are now faced, and the importance of this item in the cost of operating your banana trains. Nevertheless, as the price of fuel oil may fluctuate further,

PX 914 685A



up or down, it is also agreed that, from and after January 1, 1953, the amount which you will pay us for operating your trains shall be subject to adjustment, up or down, for any variation in the C.I.F. prices of fuel oil purchased by us after that date for delivery in San Jose or Puerto Barrios in accordance with a formula to be agreed upon between us.

It is not intended by this present agreement to make any modifications or changes of any kind in the existing contracts between United Fruit Company, Compania Agricola de Guatemala and International Railways of Central America other than those specified in this present agreement, and all rights of both parties in this connection are fully reserved.

If you approve this agreement, kindly indicate your acceptance on the line reserved for this below on both copies and return one copy to us.

Very truly yours,

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

By (Signed) T. Bradshaw
President

ACCEPTED:

COMPANIA AGRICOLA DE GUATEMALA

By (Signed) K. H. Redmond
President

PX915

686A

November 24, 1952

Letter Agreement between IRCA and Agricola

Relating to Letter Agreement of

May 22, 1952

(IR 574)

PR. 915 687A

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA
15 Exchange Place
Jersey City 2, N. J.

November 24, 1952

Compania Agricola de Guatemala
80 Federal Street
Boston 10, Massachusetts

Dear Sirs:

Pursuant to the letter Agreement of May 22, 1952, between Compania Agricola de Guatemala and International Railways of Central America and in accordance with the arrangements which have been verbally agreed upon between us, we have reduced to writing and are now sending you the formula for effecting changes in the compensation payable to International Railways for operating the banana trains of Compania Agricola from Tiquisate to Puerto Barrios and return to Tiquisate as fixed in the said Letter Agreement of May 22, 1952. As explained in said Letter Agreement, a formula is necessary because of fluctuations up or down in the cost of fuel oil.

It has been agreed upon between us that the average price of fuel oil, which was taken into consideration by the parties in fixing the compensation of $75 per car of bananas moved to Puerto Barrios in the Letter Agreement of May 22, 1952, was $2.58 per barrel, based on a price of $2.10 per barrel for oil delivered at Barrios and $2.83 per barrel for oil delivered at San Jose, with one third of the Railways' requirements being supplied through Barrios and two thirds through San Jose.

It has also been agreed upon between us that 385 gallons of fuel oil are required to haul a loaded banana car from Tiquisate to Puerto Barrios, do the switching at Puerto Barrios and return the empty car to Tiquisate. Accordingly, for each fluctuation of 1¢ per gallon in the cost of fuel oil to the Railway Company there is a corresponding increase or decrease of $3.85 in the

PX 915 688A



cost of hauling a loaded banana car to Puerto Barrios doing the switching there and returning the empty car to Tiquisate.

Pursuant, therefore, to the Letter Agreement of May 22, 1952, and effective January 1, 1953, the above basis will be used until hereafter modified by the parties for effecting changes in the said compensation of $75 per car of Compania Agricola bananas moved to Puerto Barrios.

At the end of each month the International Railways shall ascertain the average cost of all fuel oil it has on hand in Guatemala and in case such cost shows a decrease or an increase of 21¢ or more per barrel below or above the price of $2.58 per barrel herein referred to the amount Compania Agricola shall pay International Railway will be adjusted by 38-1/2¢ per car up or down as the case may be for each one tenth of a cent per gallon fluctuation in the cost of fuel oil. For the purpose of the adjustment herein provided for, a barrel of fuel oil shall be taken to contain forty-two gallons.

It is agreed that at the end of each month, International Railways will notify Compania Agricola in writing at its office at Bananera in Guatemala, the average cost per barrel of all its Guatemala stocks of fuel oil on which the payments referred to in the preceding paragraph will be based. If at the end of any month, International Railways does not have all fuel oil cost figures available soas to be able accurately to calculate such cost, settlement will be made on the basis of the best estimate possible, any necessary adjustment to be made as soon as accurate cost figures are available. The Compania Agricola shall have the right at all times to inspect necessary invoices and accounts of Railways in order to verify the accuracy of the fuel oil cost figures given by Railways.

Any adjustments made in accordance with the formula provided for herein will be applicable to the carloads of Agricola bananas hauled by International Railways during the calendar month in accordance with Railway's records.

PX 915 689A



If the foregoing accurately sets forth the understanding reached between us, will you kindly indicate your acceptance of all of the above on the duplicate copy of this letter and return the same to us.

Will you also please arrange to have the Agreement and its execution approved by your Board of Directors and we will do likewise with our Board here.

Very truly yours,

INTERNATIONAL RAILWAYS OF
CENTRAL AMERICA

BY T. BRADSHAW
President.

ACCEPTED:

COMPANIA AGRICOLA DE GUATEMALA

By K. H. Redmond

PX939

Exp. 690A - 30 pages

MEMORANDUM

RECD BY

OCT 28 1964

J. M. FOX

27 October 1964

Mr. Sunderland: Re: Associate Producer Program

Reference is made to your memorandum of 18 September 1964 regarding the above subject. The problem of sharpshooters purchasing fruit from producers who are under contract to us exists in every place where we have associate producers. Because of the public relations aspect, we hesitate to commence suits against associate producers, and we make every effort to bring them back into line without litigation. However, periodically we are forced to commence lawsuits in an attempt to stop or slow down the sale of fruit to competitors. This problem does not occur only when the contracts come to an end, but exists at all times. As a practical matter, it occurs in all places where transportation and loading facilities exist. Those factors are conducive to diversion and are more important than the provisions we may put into a contract. The fact that our associate producers can sell to third parties and not be subject to deductions for debt to us makes sales to third parties particularly attractive. In addition, our contracts generally provide that we purchase fruit f.o.b. or f.a.s., while competitors are willing to purchase fruit at the farms in many cases. These last-mentioned factors are inherent to the arrangement with producers.

With respect to the Bataan deal with the Government of Costa Rica, we have placed a restriction on all but 2,000 acres and have first call on the bananas produced in the balance of the acreage for the first five years of commercial production. The civil law prohibits all contracts in perpetuity. Covenants running with land are not common in Latin America. Conveyances with conditions subsequent are more common. However, courts are reluctant to enforce such conditions and local courts would strive to find excuses for their nonenforcement against national producers.

The proposal contained in the fifth paragraph of the memorandum would, as you state, be unusual for Central America and in my opinion would lead the courts to decide that the United Fruit Company was attempting to use an intermediary to accomplish its purpose. This would probably result in all the burdens which we seek to avoid being placed on the Company. The very crux of the question is the retention of any sort of veto right over the actions of the independent contractor.

The problem of diversion is one with which others also struggle. In an attempt to prevent contract fruit from being diverted to third parties, Standard has incorporated a liquidated damage clause in their fruit purchase contracts. This clause provides for $1,000 per hectare liquidated damages in the event of breach of contract. This provision has not yet been interpreted by the Costa Rican courts but may be worth considering for our future use. As a practical matter, it would be very difficult to collect such damages, but possibly a fund to meet claims of this

PX 939

691A



nature could be established by an additional deduction from fruit payments. This would require that the Company pay interest on the amount withheld and may not be feasible because of the economic consequences. The associate producer might be required to provide a bond to secure payment of possible liquidated damages, but again this may be too costly as a practical matter.

In conclusion, in dealing with the problem of associate producers, we can obtain the legal benefits involved only by giving up control. Any indirect method of control would violate the law of intermediaries which is perhaps more fully developed than corresponding law in the United States.

Victor C. Folsom

Copy to Messrs. Fox ✓
Cornuelle
Miller

PLAINTIFF'S EXHIBIT
PX 947
MAR 6 - 1974
692A

August 19, 1964

TO: Mr. Thomas E. Sunderland

Herb and I have spent quite a bit of time and thought on the attached memorandum. We are most anxious to have a thorough discussion with you before I leave on my vacation next week--hence the rather unorthodox procedure of having it delivered to your home tonight. If possible, we would like to get together with you early tomorrow morning.

John M. Fox

cc: Mr. H. C. Cornuelle ✓

PX947 693A

August 19, 1964

TO: Mr. Thomas E. Sunderland

SUBJECT: Profitability Studies of the Five Year Plans for Banana Production and Sales in U.S. and Canada

The Company is on the threshold of recommending for early Board action the appropriation of approximately $17 million for the 1965 planting program. As your recent several memoranda on the subject have pointed out, there will be a keen interest by the Board Members in the management's return on investment prognostications from this capital expenditure. To this end it was felt that a thorough updated analysis of the economics of the banana business and the United Fruit's current posture in the industry should be made to assist the management and the Board in making a sound decision. The preliminary results of this analysis are extremely disturbing and this memorandum will attempt to set forth these findings as well as the joint recommendations of the undersigned as to a suggested course of action.

As you know, we have recently received and reviewed three analyses of the U.S. and Canadian banana market for the period to 1970. Each of these analyses was prepared independently by individuals or groups using different techniques but working with similar historical information. Two of these analyses were prepared within the Company: one by Len Wilson, one by Ken Kinsinger; and the third was prepared by Professor Arthur's Study Group at the Harvard Business School. Professor Arthur's Study was directed at the entire banana industry in the United States rather than at the United Fruit Company situation specifically.

PX 947

Mr. T. M. Sunderland 694A 2-A 8/19/64

The Three Statistical Analyses

These three studies contain remarkably parallel conclusions about the volume-price relationships we can expect in the banana business during the next five years. The following quotation from the Harvard Study, which remains entirely tentative and preliminary, contains a fairly good summary of the conclusions of all three studies:

> "As a group, these preliminary estimates and projections suggest that the U.S. banana market cannot be expected to grow much more rapidly than population without important price declines. Even with constant per-capita consumption to 1970, the negative pressures on demand, as measured in the 1947-62 period, may keep prices at or below current levels. On the other hand, there is some evidence that the negative trend observed in the sample period and attributed to changing preferences may not fully apply to the immediate future. Although a sudden reversal of the trend away from fresh fruits does not seem likely, its effect on bananas may be tapering off slightly due to (1) improvements in overall quality and (2) substantially increased promotion efforts. Even so, there seems to be little grounds for assuming that the U.S. market will be able to assimilate large additional quantities of bananas at favorable prices. Certainly, the average rate of growth in total U.S. imports experienced in the 1955-63 period cannot be expected to continue."

PX 947 695A



Essentially, the two U.F. studies conclude that, even after allowing for a substantial moderation of negative post-war trends, we can expect that the United Fruit Company volume will have to level off at approximately 39 to 40 million boxes per year, if we are to realize an average price as high as $3 per box for United Fruit bananas in 1969. It now appears as if the 1964 level will be less than 38 million boxes (36,785) 36.2 The price forecast is based on the assumption that competitive imports during the period will grow at a rate of approximately 3% per year, a growth rate materially below the 1963-64 rates which appear to be about 13% in each year.

Furthermore, should our Company's imports into the U.S. and Canada also increase at the same 3% rate per year as is contemplated in the current Five Year Planting Program, the estimated average price per box in 1969 could drop to $2.75. At this level even the substantial cost reductions brought about by the full implementation of our Valery program would not bring about a satisfactory margin of profit. Just how long Ecuador would continue to bring fruit into the domestic markets at this price is unknown but it is certainly a safe assumption that the country and its growers will be very reluctant to give up any substantial portion of this important earner of dollar exchange.

Everyone remembers only too vividly the pricing and marketing debacle of the summer of 1960 and the more recent one during the fall of 1963. An oversupply situation in the banana industry is similar to an oversupply situation with any agricultural commodity with one significant difference--the product cannot be inventoried to bring supply and demand into some semblance of balance. It must be brought to market or lost.

PX941

Mr. T. H. Sunderland 696A 8/19/64

Production Estimates

At Mr. Carpenter's request, the Production Department prepared a brief statement projecting supply from Company Divisions only for U.S. and Canadian markets, assuming (1) meeting all European requirements; (2) no additional Company planting after 1964 except in Turbo; and ~~(3) no~~ "General Office Reserve." Column A excludes new association producer plantings already committed. Column B includes fruit from such plantings at Honduras and Boc[illegible].

| Year | No. of boxes (in millions) A | B | |
|---|---|---|---|
| 1965 | 40.0 | | |
| 1966 | 42.0 | 45.0 | 42,750 |
| 1967 | 34.0 | 33.6 | 36.7 |
| 1968 | 26.4 | 31.0 | 29.5 |
| 1969 | 22.5 | 27.1 | 25.7 |

These estimates indicate that 1965 and 1966 sales can be maintained well above 1964 levels without additional planting during 1965, and with little or no recourse to Ecuador. It should be noted, however, that these projections are based on box per stem yields materially above 1964 experience. This appears to be a sound assumption since much of our Valery plantings will be in ratoon crops.

Limitations on the Analyses

While statistical analyses of this kind are useful in providing management with a forecast of future market conditions, they do not present the entire basis for a decision. Such estimates cannot possibly take into

PX 947 697A



account several controlled and uncontrolled developments in the future which may influence the market for bananas. For example, the conclusions in these three analyses would be changed materially by any or all of the following possibilities, which would have a beneficial effect on the United Fruit Company situation:

(1) The development of an economic processed banana product which would increase over-all consumption of bananas.

(2) Development of a nutritional claim for bananas which would materially strengthen demand and increase per capita consumption.

(3) The increase of "Chiquita" brand loyalty and consumer response to quality programs to price differentials higher than assumed in the Wilson and Kissinger analyses.

(4) A decline or debacle in Ecuador which would eliminate a major part of or reduce production available from that country.

On the other hand, there are possible developments not taken into account in these statistical analyses which could have an adverse effect on the United Fruit Company greater than that anticipated:

(1) Planting of variety bananas by competitors nearer the market than Ecuador for the U.S. market could increase.

(2) Ecuador shipments to Japan and/or Europe could be curtailed, thus releasing that fruit for the U.S. market. Our own plans in the Philippines might enhance the chance of accomplishing just this if fruit now going to Japan were suitable for Europe or U.S.

PX 941 698A



(3) Competition could grow at a rate higher than 3% per year.

(4) The impact of the brand program could be less than allowed for in the analyses.

While these statistical analyses are subject to such limitations as outlined here, it seems that the conclusions are consistent with what is to be expected of an agricultural commodity. It is certainly demonstrable that the techniques used in these analyses are commonly employed and the conclusions not radical when viewed strictly from the standpoint of economic analyses.

Current United Fruit Company Situation

At this point, it is appropriate to make some observations about the present situation in which the United Fruit Company finds itself. Some of these are facts; some are merely the expression of opinion:

(1) The Company is presently operating on the assumption that cost improvement can be achieved primarily through volume increases. The projected 1969 average landed cost of approximately $3 per box is based on an increase in Company production of 3% per year over 1964 levels.

(2) The current planning by the agricultural divisions of the Company and the anticipated Capital Budget requests for 1965 are based on increasing shipments to the U.S. and Canada to about 48 million boxes by 1969.*

*Our present investment in banana production for U.S. and Canada is roughly $145 million including ships. Current plans call for investing an additional $57 million in banana production for U.S. and Canada to get to the 48 million box level by 1969. This excludes any investment in ships. The book value of production facilities for U.S. and Canada in 1969 will be about $141 million, provided no new ships are built by UFCo. If we assume that our after-tax investment goal is 6%, a modest goal, we need the following pre-tax profit per box at the various levels in the years shown.

| | | |
|---|---|---|
| 48 million boxes | 29.2¢ per box | (on 1969 investment) |
| 40 million boxes | 36.0¢ per box | (on 1964 investment) |

(3) The United Fruit Company does not have organized and definitive intelligence on the present status and future potential of banana production in Ecuador of the type necessary and desirable for planning purposes.

(4) The Consent Decree calls for the United Fruit Company by mid-1966 to submit a plan to spin off or sell a unit or units capable of producing, distributing, and selling 9 million stems of bananas per year. If our annual production levels off at the 40 million box level, this means that the Fruit Company's remaining volume in 1969 in the U.S. and Canada would be approximately 25 to 26 million boxes, after implementing the Consent Decree.

(5) Our competitors seemingly have landed costs which are materially less than our costs. As long as competitive costs remain below ours by an amount greater than the price premium for our fruit, our profit margins can be squeezed to unacceptable levels before theirs. This means that any decreases in the average price of bananas hurts the competition but it hurts the United Fruit Company sooner and more.

(6) The United Fruit Company pattern of operations involves high fixed costs with relatively low incremental costs of its products, both absolutely and in comparison with competitors. Because of our high ratio of fixed investments to sales, any general increase in the price of bananas will probably improve competitors' return on

investment more than ours. The first half earnings report of the Standard Fruit Company substantiates this.

(7) Because of this pattern of high fixed costs, we are virtually obliged to bring in and sell our current production from Company divisions, because the resulting revenue is almost invariably greater than the incremental cost of harvesting the fruit and bringing it to market.

(8) The present forward plans of the Company contemplate no major reduction in the ratio of fixed investment to sales.

Therefore, the Company finds itself today in a position that can be stated in the following way: We must increase our output in order to achieve lower unit costs, which means that we must make a greater capital investment in the banana business, which means that we must incure a larger total fixed cost.

It seems conceivable, however, that a greater investment in the banana business would increase the supply of bananas for the U.S. and Canadian markets to such an extent that it would create a future price-cost relationship worse for the Company than the price-cost relationship which would prevail without the additional investment and the additional supply.

Moreover, because of the relatively low fixed-cost pattern of our competitors' operations, it appears likely that the relative advantage of our competitors would continue throughout the period of our increased investment.

Conclusions

(1) It may be prudent for the United Fruit Company to withhold further capital investments in production of bananas for the

U.S. and Canadian markets until it can complete:

(a) A full evaluation of the brand-marketing and quality-improvements programs in order to determine more precisely what their effect on the banana market is likely to be.

(b) A thorough-going critical review and evaluation of the three price-volume analyses referred to at the start of this memorandum.

(c) Our present efforts to find desirable alternative uses of capital of the United Fruit Company.

Recommendations

These conclusions lead to the following recommendations:

(1) Postpone until early 1965 the decision on the location and amount of any additional investment in new banana production for the U.S. and Canadian markets.

(2) Continue and complete a thorough evaluation of the brand program and the quality-improvement program. In this connection, some attention should be given the possibility of developing a nutritional claim for bananas.

(3) Make a full-scale and definitive evaluation of the banana production potential of Ecuador with special emphasis on expected volumes, costs, disease potentials, and the possibility of the introduction of varieties into the picture. This evaluation should include positive conclusions about the possibilities of future Ecuadorian production, as well as recitation of the historical facts.

PX947 702A



(4) The Company should make a concentrated major effort on cost reduction, primarily through fixed-overhead elimination. This review and the execution of its recommendations should be done within a specific time period.

(5) Arrange for a careful critical testing of the statistical analyses prepared by Wilson, Kissinger, and Harvard, with special emphasis on the data, the techniques, and the conclusions. Fleet

(6) Evaluate and make a decision regarding the possibility of a processed banana product. outside agency

(7) Confine the 1965 Capital Budget to be considered at the September Board Meeting to items which reduce costs in those operations which will not be eliminated as a result of any action taken under (4) above.

(8) Give full-scale management support to the effort to implement the profit-planning program to create a 1965 profit plan prior to December 31, 1964.

(9) Increase the emphasis on alternate use of United Fruit Company capital through diversification investments.

(10) Analyze the implications of the Consent Decree on the Company and possible alternative courses of action to be taken on it in light of the possible outcome of these recommendations.

(11) Invite the top management of the United Fruit Company to undertake a critical review of the premises, the facts, the conclusions and recommendations which are contained in this memorandum.

Herbert C. Cornuelle John M. Fox

PX 949 703A

| | | | | | |
|---|---|---|---|---|---|
| Hdqtrs. & Corp. Expense | .13 | .13 | .13 | .13 | .13 |
| European Cost | [illegible] | $2.02 | $1.97 | $1.91 | $1.82 |
| Ocean Freight | .44 | .45 | .44 | .43 | .41 |
| Term & Transp. | .25 | .25 | .25 | .25 | .25 |
| Selling & Marketing | .22 | .22 | .22 | .22 | .22 |
| U.S. & Canada Cost | $2.96 | $2.94 | $2.88 | $2.81 | $2.80 |
| **Nicaragua** | | | | | |
| Tropical Cost | $2.06 | $2.05 | $2.10 | - | - |
| Hdqtrs. & Corp. Expense | .09 | .09 | .09 | - | - |
| European Cost | 2.15 | 2.14 | 2.19 | - | - |
| Ocean Freight | .82 | .85 | .83 | - | - |
| Term. & Transp. | .26 | .26 | .26 | - | - |
| Selling & Marketing | .10 | .10 | .10 | - | - |
| U.S. & Canada Cost | $3.33 | $3.35 | $3.38 | - | - |
| **Panamá - Armuelles** | | | | | |
| Tropical Cost | $1.68 | $1.74 | $1.73 | $1.67 | $1.63 |
| Hdqtrs. & Corp. Expense | .12 | .12 | .12 | .12 | .12 |
| European Cost | 1.80 | 1.86 | 1.85 | 1.79 | 1.75 |
| Ocean Freight | .79 | .82 | .80 | .77 | .75 |
| Term. & Transp. | .27 | .27 | .27 | .27 | .27 |
| Selling & Marketing | .22 | .22 | .22 | .22 | .22 |
| U.S. & Canada Cost | $3.08 | $3.17 | $3.14 | $3.05 | $2.99 |
| **Panamá - Bocas** | | | | | |
| Tropical Cost | $1.85 | $1.75 | $1.73 | $1.77 | $1.78 |
| Hdqtrs. & Corp. Expense | .11 | .11 | .11 | .11 | .11 |
| European Cost | 1.96 | 1.86 | 1.84 | 1.88 | 1.89 |
| Ocean Freight | .56 | .57 | .56 | .54 | .52 |
| Term & Transp. | .26 | .26 | .26 | .26 | .26 |
| Selling & Marketing | .22 | .22 | .22 | .22 | .22 |
| U.S. & Canada Cost | $3.00 | $2.91 | $2.88 | $2.90 | $2.89 |
| **Total All Divisions** | | | | | |
| **United States & Canada** | | | | | |
| Tropical Cost | $1.85 | $1.80 | $1.77 | $1.70 | $1.69 |
| Hdqtrs. & Corp. Expense | .12 | .12 | .12 | .12 | .12 |
| Sub Total | $1.97 | $1.92 | $1.89 | $1.82 | $1.81 |
| Ocean Freight | .72 | .70 | .68 | .66 | .64 |
| Term. & Transp. | .26 | .26 | .26 | .26 | .26 |
| Selling & Marketing | .21 | .22 | .22 | .22 | .22 |
| U.S. & Canada Cost | $3.16 | $3.10 | $3.05 | $2.96 | $2.93 |
| **Europe (Dominican Republic only)** | | | | | |
| Tropical Cost | $3.06 | $3.50 | $4.77 | - | - |
| Hdqtrs. & Corp. Expense | .08 | .08 | .08 | - | - |
| European Cost | $3.14 | $3.58 | $4.85 | - | - |

NOTES:
1. An insurance reserve has been provided in years 1966 thru 1969 for all divisions except Dominican Republic, Ecuador, and Nicaragua. Where the insurance reserve has been included, it has been assumed the insurance reserve fruit will be grown but not shipped.
2. Tropical costs on Guatemala East and Honduras are on basis of no winter bagging. For the year 1965 Guatemala East and Honduras tropical costs do not provide for any reserves.

Budget Dept.
August 31, 1964

## TROPICAL COST OF BOXED FRUIT PER BOX

| | With Insurance Reserve 1966-1969 | | | | | No Insurance Reserve | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Golfito | Guat. East | Honduras | Armuelles | Bocas | Dom. Repub. | Ecuador | Nicaragua | Tota |
| **1965** | | | | | | | | | |
| Latest Forecast | $1.81 | $2.14 | $1.92 | $1.68 | $1.85 | $3.06 | $2.01 | $2.06 | $1.8 |
| 1963 Forecast | 1.76 | 2.39 | 2.26 | 1.73 | 1.83 | 2.57 | 2.24 | - | 1.9 |
| Latest Forecast Fav. (Unfav.) | (.05) | .25 | .34 | .05 | (.02) | (.49) | .23 | | .0 |
| **1966** | | | | | | | | | |
| Latest Forecast | 1.74 | 1.86 | 1.89 | 1.74 | 1.75 | 3.50 | - | 2.05 | 1.8 |
| 1963 Forecast | 1.77 | 2.53 | 2.07 | 1.73 | 1.68 | - | - | - | 1.8 |
| Latest Forecast Fav. (Unfav.) | .03 | .67 | .18 | (.01) | (.07) | | | | .0 |
| **1967** | | | | | | | | | |
| Latest Forecast | 1.74 | 1.72 | 1.84 | 1.73 | 1.73 | 4.77 | - | 2.10 | 1.7 |
| 1963 Forecast | 1.74 | 2.67 | 2.06 | 1.68 | 1.64 | - | - | - | 1.8 |
| Latest Forecast Fav. (Unfav.) | - | .95 | .22 | (.05) | (.09) | | | | .0 |
| **1968** | | | | | | | | | |
| Latest Forecast | 1.64 | 1.65 | 1.78 | 1.67 | 1.77 | - | - | - | 1.7 |
| 1963 Forecast | 1.73 | 2.59 | 2.06 | 1.64 | 1.64 | - | - | - | 1.8 |
| Latest Forecast Fav. (Unfav.) | .09 | .94 | .28 | (.03) | (.13) | | | | .1 |
| **1969** | | | | | | | | | |
| Latest Forecast | 1.61 | 1.63 | 1.79 | 1.63 | 1.78 | - | - | - | 1.6 |
| **Insurance Reserve Cost Included In Latest Forecast** | | | | | | | | | |
| 1966 | .05 | .03 | .14 | .05 | .06 | - | - | - | .0 |
| 1967 | .07 | .08 | .14 | .07 | .09 | - | - | - | .0 |
| 1968 | .06 | .11 | .11 | .06 | .08 | - | - | - | .0 |
| 1969 | .07 | .13 | .11 | .07 | .09 | - | - | - | .0 |

NOTES:
1. Where an insurance reserve has been provided, it has been assumed the insurance reserve fruit will be grown but not shipped.
2. Above costs assume all fruit shipped 100% to U.S. & Canada with exception of Dominican Republic which is 100% to Europe.
3. Tropical costs on Guatemala East and Honduras are on basis of no winter bagging. For the year 1965 Guatemala East and Honduras tropical costs do not provide for any reserves.

Budget Dept.
August 31, 1964

PX 948
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# COST OF STEM FRUIT.
## SHIPPED 100% TO EUROPE

| F.O.B. TROPICAL COST (Excluding Ins. Reserve) | Santa Marta (A) | Turbo (A) | Dom. Rep. | Total |
|---|---|---|---|---|
| | Cost Per 100 Lbs. | | | |
| 1965 | $ 4.06 | $ 3.80 | $ 3.56 | $ 3.94 |
| 1966 | 4.14 | 3.77 | - | 3.96 |
| 1967 | 4.33 | 3.68 | - | 3.84 |
| 1968 | - | 3.74 | - | 3.74 |
| 1969 | - | 3.68 | - | 3.68 |
| | Cost Per Metric Ton | | | |
| 1965 | $89.51 | $83.78 | $78.48 | $86.86 |
| 1966 | 91.27 | 83.11 | - | 87.30 |
| 1967 | 95.46 | 81.13 | - | 84.66 |
| 1968 | - | 82.45 | - | 82.45 |
| 1969 | - | 81.13 | - | 81.13 |

(A) Based on following European F.O.B. sales prices:

| | Per 100 Lbs. | Per Metric Ton |
|---|---|---|
| 1965 | $4.03 | $88.83 |
| 1966, 1967 | 4.24 | 93.53 |
| 1968, 1969 | 4.46 | 98.30 |

Financial Dept.
September 2, 1964

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COST OF STEM FRUIT-PER 100 LBS.
(ALL EUROPEAN SHIPMENTS)

| | 1965 | 1966 | 1967 | 1968 | 1969 |
|---|---|---|---|---|---|
| Colombia-Santa Marta/Fed. | | | | | |
| Tropical Cost | $3.85 | $3.93 | $4.12 | - | - |
| Hdqtrs. & Corp. Exp. | .21 | .21 | .21 | - | - |
| Total | $4.06 | $4.14 | $4.33 | - | - |
| Colombia - Turbo | | | | | |
| Tropical Cost | $3.59 | $3.56 | $3.47 | $3.53 | $3.47 |
| Hdqtrs. & Corp. Exp. | .21 | .21 | .21 | .21 | .21 |
| Total | $3.80 | $3.77 | $3.68 | $3.74 | $3.68 |
| Dominican Republic | | | | | |
| Tropical Cost | $3.35 | - | - | - | - |
| Hdqtrs. & Corp. Exp. | .21 | - | - | - | - |
| Total | $3.56 | - | - | - | - |
| Total All Divisions | | | | | |
| Tropical Cost | $3.73 | $3.75 | $3.63 | $3.53 | $3.47 |
| Hdqtrs. & Corp. Exp. | .21 | .21 | .21 | .21 | .21 |
| Total | $3.94 | $3.96 | $3.84 | $3.74 | $3.68 |

NOTE: No insurance reserve included in above forecasts

Budget Dept.
August 31, 1964

## TROPICAL COST OF STEM FRUIT PER 100 LBS.

| | Colombia Sta. Marta Federation | Colombia Turbo | Dom. Republic | Total |
|---|---|---|---|---|
| **1965** | | | | |
| Latest Forecast | $3.85 | $3.59 | $3.35 | $3.73 |
| 1963 Forecast | 3.86 | 3.79 | 4.22 | 3.89 |
| Latest Forecast Fav. (Unfav.) | .01 | .20 | .87 | .16 |
| **1966** | | | | |
| Latest Forecast | 3.93 | 3.56 | - | 3.75 |
| 1963 Forecast | 4.15 | 3.57 | - | 3.79 |
| Latest Forecast Fav. (Unfav.) | .22 | .01 | - | .04 |
| **1967** | | | | |
| Latest Forecast | 4.12 | 3.47 | - | 3.63 |
| 1963 Forecast | - | 3.45 | - | 3.45 |
| Latest Forecast Fav. (Unfav.) | - | (.02) | - | (.18) |
| **1968** | | | | |
| Latest Forecast | - | 3.53 | - | 3.53 |
| 1963 Forecast | - | 3.51 | - | 3.51 |
| Latest Forecast Fav. (Unfav.) | - | (.02) | - | (.02) |
| **1969** | | | | |
| Latest Forecast | - | 3.47 | - | 3.47 |

NOTE: No insurance reserve included in above forecasts

Budget Dept.
August 31, 1964

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7074

PX 9715 708A

FEB 1 - 1964

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington 25, D. C.

UNITED STATES COORDINATOR
ALLIANCE FOR PROGRESS

1164

FEB 11 1964

Mr. Thomas E. Sunderland
President
United Fruit Company
30 St. James Avenue
Boston 16, Massachusetts

Dear Mr. Sunderland:

As you are undoubtedly aware, this Agency has before it a loan application from the International Railways of Central America for dieselization of its equipment.

We recognize the importance the freight shipment of bananas plays in the total revenues of IRCA. In order to assist us in making a judgment of the railroad's future revenues, it would be most helpful if the United Fruit Company could inform us as to its banana production plans in Guatemala and El Salvador over the next five to ten years in comparison with the volume produced during the last few years. If you are planning a relocation of your growing areas, A.I.D. would like to know the direction of such shifts, and what effect they might have on the mode of shipment you would employ.

We greatly appreciate your assistance in this matter. The information which you provide us will, of course, be treated in a confidential manner.

Sincerely yours,

Stanley I. Grand
Special Assistant

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MEMORANDUM

August 29, 1963

Mr. J. M. Fox:

We summarize below discussions we had with Mr. C. Roy Chalk and Mr. Harold Haase:

1. Mr. Chalk started off by saying that they came to settle several points between the I.R.C.A. and the Company, the first being that they would like to know what our plans for Tiquisate and Bananera were and how much fruit we expected to ship from each division over the next few years. He was particularly interested in Tiquisate. We told him we are planting a seedbed in Bananera, but had no authority to go any farther, and estimates should stay about the same for the next few years. By that time we would know more about the Valery and would consolidate plans for production of this type banana. With respect to Tiquisate, we explained that the fruit, due to bruising and ripes and turnings as a result of the long haul, sold at about $.90 per hundred pounds lower than other fruit. Also the high cost of freight on the I.R.C.A. ($.75), which is about $.35 more than other divisions results in a total disadvantage of $1.25 for Tiquisate fruit. For these reasons, and due to the heavy wind losses in Tiquisate, we could not consider further plantings in the foreseeable future. They asked why we did not plant Valerys, and again we referred to the high cost and the fact that Valery would be bruised even more than Gros Michel.

Mr. Haase asked how much would be abandoned per year in Tiquisate and how long it would be before we would have to stop shipments. We told him that this would be crystal ball gazing, but abandonments would probably run 1,000 to 2,000 acres per year. As to when shipments would stop, this would depend on blowdowns and the point at which the division goes into the red on a Cash Flow basis.

2. Mr. Chalk said that under the circumstances he had no objections to releasing to us 65 of our banana cars. We told him we wanted to up this to 100 and he was quite agreeable. (In the meantime the Law Department is preparing a letter for Mr. Ted Holcombe to forward to Mr. Haase asking him to release to us the 100 cars, and we are asking Mr. Holcombe at the same time to make application to the Guatemalan Government for an export license for these cars.)

3. Mr. Chalk stated that if we had no strenuous objections he wished to take over all purchasing as he had his own purchasing department for his other companies and this would save him money. He stated that he had been very pleased with the service we had given him, but this was a matter of

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saving money. Under the circumstances we told him we could not object and he promised to write a letter saying that he would give us another 30 days and that any pending orders should be completed by us.

4. Mr. Chalk said he would like to purchase the six Diesel Locomotives which they now rent from us and operate under a trackage agreement. He stated he could buy new Diesels for $120,000 each (we are sure they are not the same type and quality as those purchased by the Company). However the Company Diesels were purchased in 1950 at a total cost of $1,400,000 and the six have a book value at the end of this year of $545,000 or roughly $91,000 each. He is also to write us a letter making a firm offer.

In connection with the Diesels, Mr. Chalk made the statement that he was going to completely dieselize the I.R.C.A. within six months and that he was buying new "air cushion" cars, and that the rest of our banana cars and the 41 Steam Locomotives would become surplus.

5. Mr. Chalk discussed briefly with us and later with you, the possibility of he and some of his associates purchasing Tiquisate or possibly some other division as well. He was given a copy of the Consent Decree and you agreed to discuss the matter further with him at a later date.

E. Y. Jones

C. S. Howard

cc: Mr. J. A. Marquette
Mr. V. C. Folsom
Mr. J. C. Owen

EYJ:a

PX 1007
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3214

October 17, 1963

Mr. W. B. St. John
Assistant to the President
National Bulk Carriers, Inc.
360 Lexington Avenue
New York 17, New York

Dear Mr. St. John:

As requested in your letter of October 8, 1963, regarding available pasture land in Guatemala, I am attaching a recent map of our property in the Tiquisate area.

This map was prepared on September 3, 1963, and shows that as of that date we had 26,582 acres authorized for sale and not yet sold. These acres are identified by vertical cross hatching. Land sales are handled by our people in Guatemala and it is quite possible that all of this land is not now available due to subsequent sales or sales commitments.

There are also areas totaling 30,372 acres (indicated by horizontal cross hatching) for which the Division does not as yet have Power of Attorney to cover sale of the land. This Power of Attorney is in process at the present time and will be forwarded to the Division in the near future. However, much of this land is still occupied by banana cultivations and, in the ordinary course of events, would not be available for sale until about the middle of next year.

Although we cannot be too specific about the present available pasture lands, for the reasons given above, I trust that the attached map will give you a general idea of such lands and form a basis for your future study in Guatemala.

As regards ports of embarkation, we have always used Puerto Barrios for our production due to reasons peculiar to our banana operations. The products from these properties could be shipped via Acajutla or San Jose and the choice of the three ports would depend on eventual destination and relative transportation costs.

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I suggest that the most accurate information regarding the freight rates to the various ports could be developed during your visit to Guatemala through conversations with the International Railway people and trucking concerns.

I trust that the foregoing will be of assistance.

Very truly yours,

[Signed] John M. Fox

Attachment

bcc: Mr. R. O. Miller

PX 1027

RECEIVED
APR 8 1963
J. H. RODDY

MAR 8 - 1974

713A

MEMORANDUM

April 8, 1963

Mr. J. H. Roddy:

Pursuant to your recent request we are attaching revised statements of estimated banana breakeven costs per 100 lbs. on a 100% stem fruit basis, and estimated banana costs per box on a 100% boxed fruit basis. These statements now include the year 1963, as requested, based on latest estimated volume shipments plus the latest costs available for years 1964 through 1967 based on the volume levels indicated in Mr. Miller's memorandum to your office dated February 1, 1963. The costs for 1964 through 1967 supersede those furnished with our memorandums of March 5 and March 8.

We wish to point out that the "Headquarters and Corporate Expense" shown on the attached statements is the net amount remaining after an allocation of costs of this type to Ocean Freight, Terminal and Transportation Expense, and Selling Expense.

We feel it is also important to note that the unit tropical costs reflected on the attached statements assume that all fruit from the divisions shown will be shipped to the U. S. and Canada market.

nfidential. Prepared at the request of counsel
use in connection with compliance with the
gment entered in the United States District
rt for the Eastern District of Louisiana -
ted States of America v. United Fruit Company,
. No. 4560.

J. R. Herbig

cc: Mr. A. E. Carpenter
Mr. R. O. Miller

...repared at the request of counsel for use in connection with compliance with the Judgment entered in the United States District ... the Eastern District of Louisiana - ... States of America v. United Fruit Compa... No. 4560.



## ESTIMATED BANANA COSTS PER 100 LBS. COSTS BASED ON 100% STEM FRUIT

| | 1963 | | | 1964 | | | 1965 | | | 1966 | | | 1967 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles |
| **COSTA RICA-GOLFITO** | | | | | | | | | | | | | | | |
| Tropical Cost | $2.44 | $2.44 | $2.44 | $2.43 | $2.43 | $2.43 | $2.41 | $2.41 | $2.41 | $2.28 | $2.28 | $2.28 | $2.21 | $2.21 | $2.21 |
| Ocean Freight (Cost Basis) | 1.47 | 1.22 | 1.45 | 1.47 | 1.22 | 1.45 | 1.47 | 1.22 | 1.45 | 1.47 | 1.22 | 1.45 | 1.47 | 1.22 | 1.45 |
| Terminal & Transp. | .55 | .47 | .47 | .55 | .47 | .47 | .55 | .47 | .47 | .55 | .47 | .47 | .55 | .47 | .47 |
| Selling Expense | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 |
| Headquarters & Corp.Exp. | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 |
| Total | $4.90 | $4.57 | $4.80 | $4.89 | $4.56 | $4.79 | $4.87 | $4.54 | $4.77 | $4.74 | $4.41 | $4.64 | $4.67 | $4.34 | $4.57 |
| **ECUADOR (9,000,000 Stems Per Year For 1964 Thru 1967)** | | | | | | | | | | | | | | | |
| Tropical Cost | $2.88 | $2.88 | $2.88 | $2.72 | $2.72 | $2.72 | $2.72 | $2.72 | $2.72 | $2.72 | $2.72 | $2.72 | $2.72 | $2.72 | $2.72 |
| Ocean Freight (Cost Basis) | 1.83 | 1.75 | 1.83 | 1.83 | 1.75 | 1.83 | 1.83 | 1.75 | 1.83 | 1.83 | 1.75 | 1.83 | 1.83 | 1.75 | 1.83 |
| Terminal & Transp. | .55 | .47 | .47 | .55 | .47 | .47 | .55 | .47 | .47 | .55 | .47 | .47 | .55 | .47 | .47 |
| Selling Expense | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 |
| Headquarters & Corp.Exp. | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 |
| Total | $5.70 | $5.54 | $5.62 | $5.54 | $5.38 | $5.46 | $5.54 | $5.38 | $5.46 | $5.54 | $5.38 | $5.46 | $5.54 | $5.38 | $5.46 |
| **ECUADOR (6,000,000 Stems Per Year For 1964 Thru 1967)** | | | | | | | | | | | | | | | |
| Tropical Cost | $2.88 | $2.88 | $2.88 | $2.87 | $2.87 | $2.87 | $2.87 | $2.87 | $2.87 | $2.87 | $2.87 | $2.87 | $2.87 | $2.87 | $2.87 |
| Ocean Freight (Cost Basis) | 1.83 | 1.75 | 1.83 | 1.83 | 1.75 | 1.83 | 1.83 | 1.75 | 1.83 | 1.83 | 1.75 | 1.83 | 1.83 | 1.75 | 1.83 |
| Terminal & Transp. | .55 | .47 | .47 | .55 | .47 | .47 | .55 | .47 | .47 | .55 | .47 | .47 | .55 | .47 | .47 |
| Selling Expense | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 |
| Headquarters & Corp.Exp. | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 |
| Total | $5.70 | $5.54 | $5.62 | $5.69 | $5.53 | $5.61 | $5.69 | $5.53 | $5.61 | $5.69 | $5.53 | $5.61 | $5.69 | $5.53 | $5.61 |
| **GUATEMALA-EAST** | | | | | | | | | | | | | | | |
| Tropical Cost | $2.99 | $2.99 | | $3.29 | $3.29 | | $2.90 | $2.90 | | $2.68 | $2.68 | | $2.60 | $2.60 | |
| Ocean Freight (Cost Basis) | 1.08 | .73 | | 1.08 | .73 | | 1.08 | .73 | | 1.08 | .73 | | 1.08 | .73 | |
| Terminal & Transp. | .55 | .47 | | .55 | .47 | | .55 | .47 | | .55 | .47 | | .55 | .47 | |
| Selling Expense | .23 | .23 | | .23 | .23 | | .23 | .23 | | .23 | .23 | | .23 | .23 | |
| Headquarters & Corp.Exp. | .21 | .21 | | .21 | .21 | | .21 | .21 | | .21 | .21 | | .21 | .21 | |
| Total | $5.06 | $4.63 | | $5.36 | $4.93 | | $4.97 | $4.54 | | $4.75 | $4.32 | | $4.67 | $4.24 | |

PX 1021

Confidential - Prepared at the request of counsel for use in connection with compliance with the Judgment entered in the United States District Court for the Eastern District of Louisiana - United States of America v. United Fruit Company, C.A. No. 4560.



## ESTIMATED BANANA COSTS PER 100 LBS
### COSTS BASED ON 100% STEM FRUIT

| | 1963 | | | 1964 | | | 1965 | | | 1966 | | | 1967 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles |
| **GUATEMALA WEST** | | | | | | | | | | | | | | | |
| Tropical Cost | $3.85 | $3.85 | | $3.37 | $3.37 | | $3.52 | $3.52 | | $3.46 | $3.46 | | | | |
| Ocean Freight (Cost Basis) | 1.08 | .73 | | 1.08 | .73 | | 1.08 | .73 | | 1.08 | .73 | | | | |
| Terminal & Transp. | .55 | .47 | | .55 | .47 | | .55 | .47 | | .55 | .47 | | | NO | |
| Selling Expense | .23 | .23 | | .23 | .23 | | .23 | .23 | | .23 | .23 | | | | |
| Headquarters & Corp. Exp. | .21 | .21 | | .21 | .21 | | .21 | .21 | | .21 | .21 | | | SHIPMENTS | |
| Total | $5.92 | $5.49 | | $5.44 | $5.01 | | $5.59 | $5.16 | | $5.53 | $5.10 | | | | |
| **HONDURAS** | | | | | | | | | | | | | | | |
| Tropical Cost | $3.63 | $3.63 | | $3.38 | $3.38 | | $3.11 | $3.11 | | $3.14 | $3.14 | | $3.15 | $3.15 | |
| Ocean Freight (Cost Basis) | 1.08 | .73 | | 1.08 | .73 | | 1.08 | .73 | | 1.08 | .73 | | 1.08 | .73 | |
| Terminal & Transp. | .55 | .47 | | .55 | .47 | | .55 | .47 | | .55 | .47 | | .55 | .47 | |
| Selling Expense | .23 | .23 | | .23 | .23 | | .23 | .23 | | .23 | .23 | | .23 | .23 | |
| Headquarters & Corp. Exp. | .21 | .21 | | .21 | .21 | | .21 | .21 | | .21 | .21 | | .21 | .21 | |
| Total | $5.70 | $5.27 | | $5.45 | $5.02 | | $5.18 | $4.75 | | $5.21 | $4.78 | | $5.22 | $4.79 | |
| **PANAMA-ARMUELLES** | | | | | | | | | | | | | | | |
| Tropical Cost | $2.04 | $2.04 | $2.04 | $1.88 | $1.88 | $1.88 | $1.90 | $1.90 | $1.90 | $1.83 | $1.83 | $1.83 | $1.80 | $1.80 | $1.80 |
| Ocean Freight (Cost Basis) | 1.47 | 1.22 | 1.45 | 1.47 | 1.22 | 1.45 | 1.47 | 1.22 | 1.45 | 1.47 | 1.22 | 1.45 | 1.47 | 1.22 | 1.45 |
| Terminal & Transp. | .55 | .47 | .47 | .55 | .47 | .47 | .55 | .47 | .47 | .55 | .47 | .47 | .55 | .47 | .47 |
| Selling Expense | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 | .23 |
| Headquarters & Corp. Exp. | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 | .21 |
| Total | $4.50 | $4.17 | $4.40 | $4.34 | $4.01 | $4.24 | $4.36 | $4.03 | $4.26 | $4.29 | $3.96 | $4.19 | $4.26 | $3.93 | $4.16 |
| **PANAMA-BOCAS** | | | | | | | | | | | | | | | |
| Tropical Cost | $4.65 | $4.65 | | $2.60 | $2.60 | | $2.40 | $2.40 | | $2.17 | $2.17 | | $2.17 | $2.17 | |
| Ocean Freight (Cost Basis) | 1.20 | .87 | | 1.20 | .87 | | 1.20 | .87 | | 1.20 | .87 | | 1.20 | .87 | |
| Terminal & Transp. | .55 | .47 | | .55 | .47 | | .55 | .47 | | .55 | .47 | | .55 | .47 | |
| Selling Expense | .23 | .23 | | .23 | .23 | | .23 | .23 | | .23 | .23 | | .23 | .23 | |
| Headquarters & Corp. Exp. | .21 | .21 | | .21 | .21 | | .21 | .21 | | .21 | .21 | | .21 | .21 | |
| Total | $6.84 | $6.43 | | $4.79 | $4.38 | | $4.59 | $4.18 | | $4.36 | $3.95 | | $4.36 | $3.95 | |

Budget Department
April 4, 1963

PX 1054

ifidential. Prepared at the request of counsel
use in connection with compliance with the
t entered in the United States District
r the Eastern District of Louisiana -
ited States of America v. United Fruit Company,
A. No. 4560.



ESTIMATED BANANA COSTS PER BOX
COSTS BASED ON 100% BOXED FRUIT

| | 1963 | | | 1964 | | | 1965 | | | 1966 | | | 1967 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles |
| COSTA RICA-GOLFITO | | | | | | | | | | | | | | | |
| Tropical Cost | $1.74 | $1.74 | $1.74 | $1.81 | $1.81 | $1.81 | $1.79 | $1.79 | $1.79 | $1.73 | $1.73 | $1.73 | $1.69 | $1.69 | $1.69 |
| Ocean Freight(Cost Basis) | .69 | .58 | .68 | .69 | .58 | .68 | .69 | .58 | .68 | .69 | .58 | .68 | .69 | .58 | .68 |
| Terminal & Transp. | .31 | .26 | .22 | .31 | .26 | .22 | .31 | .26 | .22 | .31 | .26 | .22 | .31 | .26 | .22 |
| Selling Expense | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 |
| Headquarters & Corp.Exp. | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 |
| Total | $3.03 | $2.87 | $2.93 | $3.10 | $2.94 | $3.00 | $3.08 | $2.[illegible] | $2.98 | $3.02 | $2.86 | $2.92 | $2.98 | $2.82 | $2.88 |
| ECUADOR (14,400,000 Boxes Per Year 1964 Thru 1967) | | | | | | | | | | | | | | | |
| Tropical Cost | $2.20 | $2.20 | $2.20 | $2.24 | $2.24 | $2.24 | $2.24 | $2.24 | $2.24 | $2.24 | $2.24 | $2.24 | $2.24 | $2.24 | $2.24 |
| Ocean Freight (Cost Basis) | .87 | .83 | .87 | .87 | .83 | .87 | .87 | .83 | .87 | .87 | .83 | .87 | .87 | .83 | .87 |
| Terminal & Transp. | .31 | .26 | .22 | .31 | .26 | .22 | .31 | .26 | .22 | .31 | .26 | .22 | .31 | .26 | .22 |
| Selling Expense | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 |
| Headquarters & Corp.Exp. | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 |
| Total | $3.67 | $3.58 | $3.58 | $3.71 | $3.62 | $3.62 | $3.71 | $3.62 | $3.62 | $3.71 | $3.62 | $3.62 | $3.71 | $3.62 | $3.62 |
| ECUADOR (9,600,000 Boxes Per Year 1964 Thru 1967) | | | | | | | | | | | | | | | |
| Tropical Cost | $2.20 | $2.20 | $2.20 | $2.32 | $2.32 | $2.32 | $2.32 | $2.32 | $2.32 | $2.32 | $2.32 | $2.32 | $2.32 | $2.32 | $2.32 |
| Ocean Freight(Cost Basis) | .87 | .83 | .87 | .87 | .83 | .87 | .87 | .83 | .87 | .87 | .83 | .87 | .87 | .83 | .87 |
| Terminal & Transp. | .31 | .26 | .22 | .31 | .26 | .22 | .31 | .26 | .22 | .31 | .26 | .22 | .31 | .26 | .22 |
| Selling Expense | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 |
| Headquarters & Corp. Exp. | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 |
| Total | $3.67 | $3.58 | $3.58 | $3.79 | $3.70 | $3.70 | $3.79 | $3.70 | $3.70 | $3.79 | $3.70 | $3.70 | $3.79 | $3.70 | $3.70 |
| GUATEMALA EAST | | | | | | | | | | | | | | | |
| Tropical Cost | $2.07 | $2.07 | | $2.33 | $2.33 | | $2.14 | $2.14 | | $2.03 | $2.03 | | $1.99 | $1.99 | |
| Ocean Freight(Cost Basis) | .51 | .35 | | .51 | .35 | | .51 | .35 | | .51 | .35 | | .51 | .35 | |
| Terminal & Transp. | .31 | .26 | | .31 | .26 | | .31 | .26 | | .31 | .26 | | .31 | .26 | |
| Selling Expense | .18 | .18 | | .18 | .18 | | .18 | .18 | | .18 | .18 | | .18 | .18 | |
| Headquarters & Corp.Exp. | .11 | .11 | | .11 | .11 | | .11 | .11 | | .11 | .11 | | .11 | .11 | |
| Total | $3.18 | $2.97 | | $3.44 | $3.23 | | $3.25 | $3.04 | | $3.14 | $2.93 | | $3.10 | $2.89 | |

PX 1027

Confidential. Prepared at the request of counsel for use in connection with compliance with the judgment entered in the United States District Court for the Eastern District of Louisiana - United States of America v. United Fruit Company, C.A. No. 4560.



## ESTIMATED BANANA COSTS PER BOX
## COSTS BASED ON 100% BOXED FRUIT

| | 1963 | | | 1964 | | | 1965 | | | 1966 | | | 1967 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles | New York | New Orleans | Los Angeles |
| **GUATEMALA WEST** | | | | | | | | | | | | | | | |
| Tropical Cost | $2.35 | $2.35 | | $2.14 | $2.14 | | $2.20 | $2.20 | | $2.18 | $2.18 | | | | |
| Ocean Freight (Cost Basis) | .51 | .35 | | .51 | .35 | | .51 | .35 | | .51 | .35 | | NO | | |
| Terminal & Transp. | .31 | .26 | | .31 | .26 | | .31 | .26 | | .31 | .26 | | | | |
| Selling Expense | .18 | .18 | | .18 | .18 | | .18 | .18 | | .18 | .18 | | SHIPMENTS | | |
| Headquarters & Corp. Exp. | .11 | .11 | | .11 | .11 | | .11 | .11 | | .11 | .11 | | | | |
| Total | $3.46 | $3.25 | | $3.25 | $3.04 | | $3.31 | $3.10 | | $3.29 | $3.08 | | | | |
| **HONDURAS** | | | | | | | | | | | | | | | |
| Tropical Cost | $2.41 | $2.41 | | $2.29 | $2.29 | | $2.16 | $2.16 | | $2.17 | $2.17 | | $2.18 | $2.18 | |
| Ocean Freight (Cost Basis) | .51 | .35 | | .51 | .35 | | .51 | .35 | | .51 | .35 | | .51 | .35 | |
| Terminal & Transp. | .31 | .26 | | .31 | .26 | | .31 | .26 | | .31 | .26 | | .31 | .26 | |
| Selling Expense | .18 | .18 | | .18 | .18 | | .18 | .18 | | .18 | .18 | | .18 | .18 | |
| Headquarters & Corp. Exp. | .11 | .11 | | .11 | .11 | | .11 | .11 | | .11 | .11 | | .11 | .11 | |
| Total | $3.52 | $3.31 | | $3.40 | $3.19 | | $3.27 | $3.06 | | $3.28 | $3.07 | | $3.29 | $3.08 | |
| **PANAMA-ARMUELLES** | | | | | | | | | | | | | | | |
| Tropical Cost | $1.67 | $1.67 | $1.67 | $1.55 | $1.55 | $1.55 | $1.56 | $1.56 | $1.56 | $1.53 | $1.53 | $1.53 | $1.51 | $1.51 | $1.51 |
| Ocean Freight (Cost Basis) | .69 | .58 | .68 | .69 | .58 | .68 | .69 | .58 | .68 | .69 | .58 | .68 | .69 | .58 | .68 |
| Terminal & Transp. | .31 | .26 | .22 | .31 | .26 | .22 | .31 | .26 | .22 | .31 | .26 | .22 | .31 | .26 | .22 |
| Selling Expense | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 | .18 |
| Headquarters & Corp. Exp. | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 | .11 |
| Total | $2.96 | $2.80 | $2.86 | $2.84 | $2.68 | $2.74 | $2.85 | $2.69 | $2.75 | $2.82 | $2.65 | $2.72 | $2.80 | $2.64 | $2.70 |
| **PANAMA-BOCAS** | | | | | | | | | | | | | | | |
| Tropical Cost | $2.76 | $2.76 | | $2.12 | $2.12 | | $2.00 | $2.00 | | $1.89 | $1.89 | | $1.89 | $1.89 | |
| Ocean Freight (Cost Basis) | .57 | .42 | | .57 | .42 | | .57 | .42 | | .57 | .42 | | .57 | .42 | |
| Terminal & Transp. | .31 | .26 | | .31 | .26 | | .31 | .26 | | .31 | .26 | | .31 | .26 | |
| Selling Expense | .18 | .18 | | .18 | .18 | | .18 | .18 | | .18 | .18 | | .18 | .18 | |
| Headquarters & Corp. Exp. | .11 | .11 | | .11 | .11 | | .11 | .11 | | .11 | .11 | | .11 | .11 | |
| Total | $3.93 | $3.73 | | $3.29 | $3.09 | | $3.17 | $2.97 | | $3.06 | $2.86 | | $3.06 | $2.86 | |

Budget Department
April 4, 1963

PX 1021

PX 1031 FEB 7 - 1974

718A

Confidential. Prepared at the request of counsel for use in connection with compliance with the judgment entered in the United States District Court for the Eastern District of Louisiana - United States of America v. United Fruit Company, C.A. No. 4560.

October 1, 1963

Memorandum - Meeting in New York on Monday, September 30, 1963, at 375 Park Avenue (Schenley Building)

This meeting was attended by Mr. O. Roy Chalk, Mr. Harry Haase (Intl. Rwys. of Central America), Mr. Irving Buckley and Mr. "Buddy" Rodgers - the foregoing representing O. Roy Chalk Associates - and J. M. Fox., J. H. Roddy and G. Blow representing the Fruit Company.

A broad general discussion of the Guatemalan properties was the topic of this meeting. No one associated with O. Roy Chalk Associates is familiar with banana operations from a production or distribution standpoint. Mr. Chalk stated that if his group should acquire control of any tropical banana producing properties, they would need assistance in the production as well as the distribution end. Mr. Chalk not interested in United Fruit Company vessels, preferring to arrange for his own shipping accommodations. In attempting to place a value on tropical properties necessary to comply with the nine-million stem provision of the Consent Decree, I mentioned a figure of $40,000,000. as a guide line. Mr. Chalk and his associates seemed to accept this figure as a general estimate, no attempt being made to enter into specific details.

Mr. Chalk stated he would be interested only in section VIII, Paragraph C, investing just enough capital to assure management control. No detailed written figures or statements were furnished this group; however, mention was made of Bananera being brought up to a figure of 15,000 acres of Valery bananas by the year 1967. Also, mention was made of a production potential for Bananera of some 5,000,000 to 6,000,000 stems of Valery bananas based upon the 15,000 acres being planted. Nothing definite was discussed about Tiquisate, inasmuch as we do not seem to have any definite plans for this division at the time. (Later told by Mr. Fox that a letter was being sent to the Government of Guatemala announcing our intention to withdraw completely from Tiquisate.)

At the conclusion of our meeting, Mr. Fox stated that we would attempt to prepare a prospectus for presentation to Mr. Chalk within a period of seven days. Mr. Chalk's chief interest at this moment is in securing from us a detail of assets comprising the properties both in Bananera and in Tiquisate. The general feeling at this meeting was that something concise and comprehensive would have to be put together for discussion with the Justice Department as a preliminary step to securing approval of the court.

Mr. George Blow took notes of the proceedings and will prepare a draft of the meeting (telephone conversation from Washington 10/2/63).

J. H. Roddy

PX 1032 719A

MEMORANDUM

Boston, January 14, 1963

Mr T. E. Sunderland:

Monthly Report
Office of Vice President-Special Projects

Meeting held on Tuesday, January 8, to discuss formation of new company for spin-off purposes. Charts presented showing 1963 production of all United Fruit Company divisions, together with proposed "new company" tropical setup and possible distribution sales areas. Additional charts to be prepared for years 1964-65-66 and 67 as soon as data available. These to include landed costs at representative ports, i.e. New York, New Orleans and Los Angeles.

Meeting in my office with Mr. Lou Grossman of West Indies Fruit Company on January 4. Mr. Grossman interested in becoming part of new company as "eligible person." Will write his proposal in detail shortly.

Additional inquiries received from three other interested parties in widely separated geographic areas.

(SIGNED) J. H. RODDY

Confidential. Prepared at the request of counsel for use in connection with compliance with the judgment entered in the United States District Court for the Eastern District of Louisiana - United States of America v. United Fruit Company, C.A. No. 4560.

cc: Mr. J. M Fox

PX 1032 720A

MEMORANDUM

February 1, 1963

Mr. T. E. Sunderland:

Monthly Report
Office of Vice President-Special Projects

Interest continues to be expressed by West Indies Fruit Company as an 'eligible person' in acquiring interest in 'new company.' The written proposal promised by Mr. Crossman is to be held in abeyance for the time being.

Blue Goose, Inc. is proceeding with further studies of their possible assistance to the sales function of 'new company.'

Long-range banana production figures have been requested for the years 1964-65-66-67 to provide data for the charts which you have suggested. Action is under way to furnish this office with outside legal assistance in furthering spin-off plans.

(SIGNED) J. H. RODDY

cc: Mr. J. M. Fox

Confidential. Prepared at the request of counsel for use in connection with compliance with the judgment entered in the United States District Court for the Eastern District of Louisiana - United States of America v. United Fruit Company, C.A. No. 4560.

PX1032 721A

MEMORANDUM

March 13, 1963

Mr. T. E. Sunderland:

Quarterly Report
Office of Vice President-Special Projects

1. Cost Analysis: Long-range banana production figures and tropical costs estimated for the years 1964-65-66 and 1967 have been furnished, and data now being assembled for preparation of charts to illustrate spin-off combinations of tropical divisions.

2. Eligible Person: In the first quarter of 1963, inquiries have been received from four sources, interested in becoming part of new company as an 'eligible person.'

3. Sales Aids-New Company: Blue Goose, Inc. furnished with reply to a series of questions submitted by them in their development of proposal of sales assistance.

(SIGNED) J. H. RODDY

Confidential. Prepared at the request of counsel for use in connection with compliance with the judgment entered in the United States District Court for the Eastern District of Louisiana - United States of America v. United Fruit Company, C.A. No. 4560.

cc: Mr. J. M. Fox

PX1032

722A

MEMORANDUM

September 12, 1963

Mr. T. E. Sunderland:

Quarterly Report
Office of Vice President-Special Projects

Sales plans showing tropical and landed cost figures, embracing various combinations of divisions for spin-off company, have been prepared and are available for analysis.

A meeting was held on July 9 in San Antonio, Texas, with Joseph J. Barshop & Associates. These people are definitely interested in negotiating for outright acquisition of assets as described in Section VIII, paragraph B, of the Consent Decree. Also have had a meeting and several telephone conversations with Mr. Frank Nichol, a broker representing a principal yet unnamed who is likewise interested in complete acquisition (paragraph B). Mr. Norf Jebbia, of the Long Beach Banana Distributors, has also disclosed interest as an 'eligible person.'

Of necessity, work on implementing the provisions of the Consent Decree has been somewhat curtailed since the Los Angeles indictment in mid-July. All 'eligible persons' have been advised that any divestiture discussions or decisions must be deferred pending the outcome of this action.

As of September 3, this department has occupied offices in the Statler Office Building.

(SIGNED) J. H. RODDY

cc: Mr. J. M. Fox

723A

PX1032

MEMORANDUM

December 11, 1963

Mr. T. E. Sunderland:

Quarterly Report
Office of Vice President-Special Projects

Exercise I which follows the recommendations in your memorandum of September 9, 1963, was delivered by hand on December 6, 1963. This exercise is based on 1966 prospects if Armuelles is selected as the tropical producing division (Article VIII, paragraph A). Included in the assets needed to start this New Company in operation is a requirement of cash in the neighborhood of one million dollars.

Exercises II and III are now in the process of preparation. Exercise II will cover Armuelles and Ecuador as tropical sources, and Exercise III, Bocas and Guatemala East. These studies should be ready for presentation very soon.

Eligible Persons: During the past quarter information has been prepared and submitted to Mr. O. Roy Chalk pertaining to the acquisition of the Tiquisate Division. Joseph J. Barshop Associates, Continental Fruit Co. and West Indies Fruit Co. are continuing to show interest in the acquisition of Company properties under Article VIII, paragraphs B and C of the Consent Judgment.

Proposed Consent Decree Committee: On October 31, a memorandum was written to you re the formation of a Consent Decree Committee for the exchange of information on long-range plans of the production, shipping and sales departments in order that the Consent Decree Task Force may be in a better position to make recommendations for the implementation of the Consent Judgment.

Confidential. Prepared at the request of counsel for use in connection with compliance with the Judgment entered in the United States District Court for the Eastern District of Louisiana — United States of America v. United Fruit Company, C.A. No. 4560.

(SIGNED) J. H. RODDY

cc: Mr. J. M. Fox

PLAINTIFF

PX 1043

MAR 6 - 1974

724 A

PX 1043

AVERAGE MARGINS BY SHIPPING DIVISION AND PORT OF ARRIVAL

BOXED FRUIT PER BOX

| | Colombia | Dom. Rep. | Ecuador Bolivar | Ecuador Guayaquil | Ecuador Total | Guat. East | Guat. West | Honduras | Nicaragua | Armuelles | Bocas | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1960 | | | | | | | | | | | | | |
| New York | $3.19 | $3.45 | $2.70 | $ | $2.70 | $3.05 | $3.04 | $3.17 | $ | $3.44 | $3.36 | $3.22 | |
| Baltimore | 3.06 | 3.19 | 2.84 | 2.53 | 2.53 | 3.23 | 3.20 | 3.22 | | 3.49 | 3.50 | 3.12 | |
| New Orleans | 3.15 | 2.70 | 2.91 | 2.82 | 2.86 | 3.16 | 2.22 | 3.16 | 3.02 | 3.09 | 3.69 | 3.15 | |
| Mobile | 3.41 | | | | | | | 3.29 | 2.92 | 3.09 | | 3.28 | |
| Charleston | 3.34 | | | | | | | | | 3.51 | 3.30 | 3.23 | |
| Houston | 3.13 | | 2.79 | 3.01 | 2.83 | 3.10 | 3.13 | 3.37 | | 2.99 | | 3.06 | |
| Los Angeles | 3.13 | | 3.02 | | 3.02 | 3.37 | | 3.09 | | 3.64 | | 3.73 | |
| San Francisco | 3.98 | | | | | | | | | | | | |
| Seattle | 3.73 | | | | | | | | 2.38 | 3.21 | | 3.64 | |
| | 4.02 | | | | | | | | 3.27 | 3.55 | | 4.00 | |
| Total | 3.47 | 3.01 | 2.72 | 2.50 | 2.69 | 3.17 | 3.05 | 3.16 | 2.82 | 3.32 | 3.36 | 3.34 | |

STEM FRUIT PER 100 LBS.

| | Colombia | Golfito | Dom. Rep. | Ecuador Bolivar | Ecuador Guayaquil | Ecuador Total | Guat. East | Guat. West | Honduras | Armuelles | Bocas | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1960 | | | | | | | | | | | | | |
| New York | | $ | $5.39 | $5.59 | $ | $5.59 | $5.97 | $4.00 | $5.75 | $6.37 | | $5.84 | |
| Baltimore | | | 5.33 | | 4.17 | 4.17 | 5.64 | 4.55 | 5.67 | 5.40 | | 5.19 | |
| New Orleans | | 6.91 | 5.08 | 5.67 | 5.13 | 5.31 | 5.71 | | 5.62 | 6.55 | | 5.65 | |
| Mobile | | | | | | | | | | 5.58 | | 5.67 | |
| Charleston | | | | 5.21 | 4.18 | 4.80 | 5.66 | 5.02 | 5.34 | 6.54 | | 5.26 | |
| Houston | | | | 5.50 | 4.88 | 5.48 | 4.97 | | 5.12 | 4.65 | | 5.37 | |
| Los Angeles | | | | | | | | | | 6.65 | | 6.69 | |
| San Francisco | | 6.92 | | | | | | | | | | 5.83 | |
| Seattle | | 5.83 | | | | | | | | | | | |
| Total | | 34.89 | 35.33 | 35.56 | 34.63 | 35.23 | 35.61 | 34.39 | 35.58 | 36.48 | | 35.90 | |
| 1962 | | | | | | | | | | | | | |
| New York | | $ | $6.68 | $5.34 | $6.01 | $5.59 | $5.99 | $5.56 | $4.29 | $6.01 | $6.30 | $6.40 | $6.10 |
| Baltimore | | 7.08 | 5.88 | 4.79 | 5.86 | 5.27 | 5.40 | 5.80 | 5.04 | 5.99 | 5.77 | 6.85 | 5.71 |
| New Orleans | | | 5.69 | 6.1 | 6.15 | 4.93 | 5.17 | 4.97 | | 5.67 | 5.42 | 5.76 | 5.22 |
| Mobile | | | | 4.38 | | | | 5.47 | 4.75 | 5.74 | 5.48 | | 5.47 |
| Charleston | | | 5.73 | 5.58 | 5.00 | 4.89 | 4.98 | 5.78 | 5.15 | 5.90 | 5.70 | 4.62 | 5.48 |
| Houston | | | | | | 5.09 | 5.09 | | | | | | 5.29 |
| Los Angeles | | | 6.58 | | | | | | | | 6.79 | | 6.59 |
| San Francisco | | | 6.20 | | | | | | | | | | 6.18 |
| Seattle | | | 7.31 | | | | | | | | | | 7.11 |
| Total | | 7.08 | 36.55 | 34.96 | 36.01 | 34.95 | 35.53 | 35.62 | 34.92 | 35.85 | 36.28 | 34.94 | 35.90 |
| 1961 | | | | | | | | | | | | | |
| New York | | | $5.36 | $5.43 | | | $5.46 | $4.79 | $4.77 | $5.42 | $5.95 | $4.37 | $5.60 |
| Baltimore | | | 4.36 | 5.16 | | | 4.93 | 4.49 | 4.07 | 5.22 | 5.79 | 4.12 | 4.99 |
| New Orleans | | | 4.98 | 4.86 | | | 5.01 | 5.03 | 4.93 | 5.17 | 5.50 | | 5.06 |
| Mobile | | | 4.71 | 4.54 | | | | 4.42 | 4.40 | 5.26 | 4.96 | 4.53 | 4.80 |
| Charleston | | | 4.78 | 4.91 | | | 5.47 | 5.15 | 4.99 | 5.32 | 5.69 | 4.53 | 5.24 |
| Los Angeles | | | 5.90 | | | | | | | | 6.35 | | 5.97 |
| San Francisco | | | 5.79 | | | | | | | | 5.84 | | 5.80 |
| Seattle | | | 7.10 | | | | | | | | 7.62 | | 7.37 |
| Total | | | 36.06 | 35.07 | | | 35.17 | 34.96 | 34.50 | 35.27 | 35.98 | 34.30 | 35.46 |

| | Colombia | Dom. Rep. | Ecuador Bolivar | Ecuador Guayaquil | Ecuador Total | Guat. East | Guat. West | Honduras | Nicaragua | Armuelles | Bocas | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1962 | | | | | | | | | | | | | |
| New York | | $3.54 | $3.10 | $ | $3.10 | | $2.88 | $3.46 | $3.35 | $3.30 | $3.31 | $3.38 | |
| Baltimore | | 3.59 | | | | | 3.44 | 3.45 | 2.98 | | 3.47 | 3.46 | |
| New Orleans | | | 3.13 | 3.51 | 3.45 | | | 3.40 | 3.02 | | 3.43 | 3.40 | |
| Mobile | | | | | | | | | | | | | |
| Charleston | | | | | | | 3.36 | 3.35 | 2.39 | | | 3.33 | |
| Houston | | 3.36 | | | | | 3.49 | 3.51 | 3.19 | | 3.18 | 3.23 | |
| Los Angeles | | | | | | | | | | | | 3.74 | |
| San Francisco | | | | | | | | | | | | 3.69 | |
| Seattle | | | | | | | | | | | | 3.93 | |
| Total | | 3.54 | 3.13 | 3.51 | 3.31 | | 3.35 | 3.40 | 2.80 | 3.30 | 3.29 | 3.50 | |
| 1961 | | | | | | | | | | | | | |
| New York | | $3.54 | $3.51 | | | | $3.42 | $3.43 | | | $3.26 | $3.39 | |
| Baltimore | | 3.42 | 3.40 | | | | 3.33 | 3.35 | | | 3.17 | 3.31 | |
| New Orleans | | 3.37 | 3.44 | | | | 3.33 | 3.36 | | | | 3.36 | |
| Mobile | | | 3.32 | | | | 3.15 | 3.35 | | | 3.19 | 3.34 | |
| Charleston | | 2.89 | | | | | 3.03 | 3.27 | | | 3.32 | 3.22 | |
| Los Angeles | | 3.40 | | | | | | | | | | 3.40 | |
| San Francisco | | 3.18 | | | | | | | | | | 3.58 | |
| Seattle | | 4.07 | | | | | | | | | | 4.07 | |
| Total | | 3.38 | 3.33 | | | | 3.32 | 3.36 | | | 3.25 | 3.38 | |

PX 1043A

725A

WEIGHT SOLD AND CONSUMPTION PER CAPITA
U.S. AND CANADA

| Year | Weight Sold-Millions of Pounds Company | Competitive | Total | % Company | Population (Thousands) | Consumption Per Capita (Pounds) |
|---|---|---|---|---|---|---|
| 1963 | 1,678 | 1,686 | 3,364 | 49.9 | 206,208 | 16.31 |
| 1962 | 1,808 | 1,489 | 3,297 | 54.8 | 203,499 | 16.20 |
| 1961 | 1,918 | 1,434 | 3,352 | 57.2 | 200,300 | 16.73 |
| 1960 | 2,021 | 1,429 | 3,450 | 58.6 | 196,316 | 17.57 |
| 1959 | 1,754 | 1,307 | 3,061 | 57.3 | 193,581 | 15.81 |
| 1958 | 1,786 | 1,163 | 2,949 | 60.6 | 190,280 | 15.50 |
| 1957 | 1,815 | 1,215 | 3,030 | 59.9 | 186,945 | 16.21 |
| 1956 | 1,911 | 1,043 | 2,954 | 64.7 | 183,342 | 16.11 |
| 1955 | 1,857 | 1,025 | 2,882 | 64.4 | 179,903 | 16.02 |
| 1954 | 1,942 | 959 | 2,901 | 66.9 | 176,386 | 16.45 |
| 1953 | 2,033 | 941 | 2,974 | 68.4 | 173,094 | 17.18 |
| 1952 | 1,963 | 1,052 | 3,015 | 65.1 | 170,191 | 17.72 |
| 1951 | 2,043 | 891 | 2,934 | 69.6 | 167,393 | 17.53 |
| 1950 | 2,091 | 822 | 2,913 | 71.8 | 164,409 | 17.72 |
| 1949 | 1,953 | 849 | 2,802 | 69.7 | 163,057 | 17.18 |
| 1948 | 2,160 | 878 | 3,038 | 71.1 | 158,936 | 19.11 |
| 1947 | 1,874 | 1,036 | 2,910 | 64.4 | 155,956 | 18.66 |
| 1946 | 1,561 | 969 | 2,530 | 61.7 | 152,346 | 16.61 |
| 1945 | 1,151 | 659 | 1,810 | 63.6 | 144,553 | 12.52 |
| 1944 | 820 | 605 | 1,425 | 57.5 | 144,831 | 9.84 |
| 1943 | 522 | 465 | 987 | 52.9 | 146,040 | 6.76 |
| 1942 | 865 | 425 | 1,290 | 67.1 | 145,574 | 8.86 |
| 1941 | 1,751 | 706 | 2,457 | 71.3 | 144,628 | 16.99 |
| 1940 | 1,869 | 666 | 2,535 | 73.7 | 143,050 | 17.72 |
| 1939 | 1,656 | 892 | 2,548 | 65.0 | 142,147 | 17.93 |
| 1938 | 1,610 | 941 | 2,551 | 63.1 | 140,977 | 18.10 |
| 1937 | 1,574 | 1,080 | 2,654 | 59.3 | 139,870 | 18.97 |
| 1936 | 1,442 | 922 | 2,364 | 61.0 | 139,003 | 17.01 |
| 1935 | 1,378 | 830 | 2,208 | 62.4 | 138,095 | 15.99 |
| 1934 | 1,246 | 723 | 1,969 | 63.3 | 137,115 | 14.36 |
| 1933 | 939 | 587 | 1,526 | 61.5 | 136,212 | 11.20 |
| 1932 | 1,146 | 733 | 1,879 | 61.0 | 135,350 | 13.88 |
| 1931 | 1,466 | 853 | 2,319 | 63.2 | 134,417 | 17.25 |

All figures on an estimated box basis. Company and competitive weights for years 1931 through 1960 shrunk 20%; in 1961 through 1963 competitive stem weight shrunk 20% and Company stem weight shrunk at varying rates.

## COMPANY AND COMPETITIVE STEMS IMPORTED BY COUNTRIES OF ORIGIN AND STEMS OF PRODUCED FRUIT SHIPPED FROM UNITED FRUIT CO. FARMS

| GRAND TOTAL | 1963 | 1962 | 1961 | 1960 | 1959 | 1958 | 1957 | 1956 | 1955 | 1954 |
|---|---|---|---|---|---|---|---|---|---|---|
| Africa | 23,741 | 24,544 | 25,143 | 22,817 | 20,524 | 23,554 | 21,687 | 19,501 | 19,631 | 19,440 |
| Brazil | 169 | 228 | 261 | 291 | 499 | 762 | 569 | 870 | 1,568 | [illegible] |
| Canary Islands | 12,390 | 12,419 | 12,334 | 11,451 | 11,900 | 9,829 | 10,990 | 9,972 | 10,299 | 8,477 |
| Chiriqui: Armuelles | 5,781 | 4,833 | 6,642 | 7,773 | 7,335 | 7,431 | 7,295 | 5,835 | 6,604 | 6,320 |
| Bocas | 1,900 | 1,762 | 999 | 765 | 1,089 | 1,237 | 1,595 | 1,815 | 1,661 | 765 |
| Colombia | 9,491 | 8,261 | 10,284 | 9,540 | 9,772 | 8,243 | 8,466 | 9,824 | 9,143 | 7,732 |
| Costa Rica: East | 1,985 | 1,816 | 1,496 | 888 | 534 | 256 | 118 | 224 | 353 | 343 |
| Golfito | 5,576 | 5,883 | 5,292 | 4,834 | 4,646 | 6,283 | 6,630 | 4,607 | 6,385 | [illegible] |
| Quepos | - | - | - | - | - | - | - | 173 | 577 | [illegible] |
| Cristobal | - | 39 | 39 | 185 | 280 | 245 | 295 | 341 | 437 | [illegible] |
| Cuba | - | - | - | - | - | - | 4 | 1 | 10 | 23 |
| Dominican Republic | 4,910 | 6,744 | 6,669 | 6,733 | 3,786 | 3,132 | 1,814 | 1,493 | 1,599 | [illegible] |
| Ecuador | 32,808 | 31,660 | 30,879 | 34,174 | 33,145 | 27,489 | 25,263 | 22,067 | 23,028 | [illegible] |
| Guadelcupe & Martinique | 14,420 | 17,980 | 17,655 | 17,844 | 16,503 | 15,089 | 13,130 | 10,861 | 10,477 | [illegible] |
| Guatemala: East | 1,982 | 2,216 | 1,427 | 1,108 | 575 | 444 | 255 | 395 | 398 | [illegible] |
| West | 2,474 | 1,994 | 4,477 | 6,177 | 4,755 | 4,011 | 4,762 | 4,851 | 4,676 | 5,554 |
| Haiti | 130 | 212 | 184 | 69 | 5 | 23 | 97 | 149 | 58 | 279 |
| Honduras | 11,088 | 12,401 | 13,890 | 10,933 | 12,172 | 13,426 | 11,145 | 12,757 | 7,896 | 8,930 |
| Jamaica | 11,429 | 10,881 | 10,370 | 10,192 | 10,241 | 9,713 | 11,410 | 11,649 | 10,715 | 11,675 |
| Mexico East | 552 | 358 | 713 | 408 | 1,457 | 1,387 | 1,997 | 945 | 1,726 | 2,690 |
| Nicaragua (Bluefields) | 771 | 450 | 70 | 139 | 106 | 87 | 116 | 220 | 434 | 561 |
| Windward Islands(Brit.) | 10,101 | 9,447 | 8,639 | 8,052 | 7,831 | 5,028 | 3,974 | 2,988 | 2,027 | 1,728 |
| Other | 289 | 209 | 271 | 282 | 301 | 402 | 377 | 337 | 117 | [illegible] |
| GRAND TOTAL | 151,987 | 154,337 | 157,734 | 154,655 | 147,456 | 138,071 | 131,989 | 121,875 | 119,879 | 116,[illegible] |

| OUTPUT OF UNITED FRUIT COMPANY FARMS (PRODUCED FRUIT SHIPPED) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Chiriqui: Armuelles | 5,155 | 4,735 | 6,630 | 7,757 | 7,321 | 7,408 | 7,402 | 5,734 | 6,629 | 6,306 |
| Bocas | 1,847 | 1,731 | 1,031 | 749 | 1,084 | 1,235 | 1,614 | 1,785 | 1,710 | 752 |
| Colombia | - | - | 245 | 970 | 1,524 | 628 | 1,612 | 1,994 | 1,521 | 1,620 |
| Costa Rica: Golfito | 5,364 | 5,541 | 4,829 | 4,398 | 3,874 | 5,529 | 5,802 | 3,748 | 5,287 | 6,117 |
| Quepos | - | - | - | - | - | - | - | 173 | 561 | 852 |
| Dominican Republic | - | 190 | 227 | 285 | 119 | 434 | 362 | 685 | 738 | 844 |
| Ecuador | - | - | - | 465 | 1,208 | 1,290 | 1,715 | 1,405 | 1,283 | 1,259 |
| Guatemala: East | 1,993 | 2,126 | 1,454 | 1,097 | 575 | 455 | 249 | 402 | 398 | 571 |
| West | 2,599 | 1,962 | 3,319 | 4,410 | 3,307 | 2,895 | 3,327 | 3,636 | 3,064 | 3,503 |
| Honduras | 3,621 | 3,705 | 6,150 | 5,270 | 6,323 | 6,888 | 5,460 | 7,085 | 2,885 | 3,646 |
| Total | 20,579 | 19,990 | 23,885 | 25,401 | 25,405 | 26,762 | 27,543 | 26,647 | 24,076 | 25,470 |

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## COMPANY AND COMPETITIVE STEMS IMPORTED BY COUNTRIES OF ORIGIN AND STEMS OF PRODUCED FRUIT SHIPPED FROM UNITED FRUIT CO. FARMS
(THOUSANDS)

| COMPANY | 1963 | 1962 | 1961 | 1960 | 1959 | 1958 | 1957 | 1956 | 1955 | 1954 |
|---|---|---|---|---|---|---|---|---|---|---|
| UNITED STATES AND CANADA | | | | | | | | | | |
| Chiriqui: Armuelles | 5,774 | 4,601 | 6,330 | 7,726 | 7,335 | 7,393 | 7,295 | 5,766 | 6,604 | 6,320 |
| Bocas | 1,900 | 1,721 | 999 | 765 | 1,089 | 1,117 | 1,595 | 1,815 | 1,661 | 765 |
| Colombia | - | 17 | - | - | 546 | 515 | 601 | 1,717 | 2,339 | 3,162 |
| Costa Rica: Golfito | 5,576 | 5,883 | 5,198 | 4,795 | 4,646 | 6,271 | 6,630 | 4,604 | 6,385 | 7,078 |
| Quepos | - | - | - | - | - | - | - | 173 | 57. | 869 |
| Dominican Republic | 176 | 351 | 996 | 2,181 | 1,477 | 1,068 | 615 | 395 | 812 | 844 |
| Ecuador | 5,321 | 6,994 | 6,760 | 8,493 | 7,041 | 3,074 | 4,071 | 4,040 | 5,071 | 3,923 |
| Guatemala: East | 1,151 | 827 | 844 | 536 | 473 | 291 | 162 | 344 | 207 | 75 |
| West | 111 | 335 | 2,237 | 3,402 | 2,416 | 2,397 | 1,593 | 2,628 | 2,837 | 3,000 |
| Honduras | 4,375 | 5,220 | 7,506 | 4,902 | 5,341 | 6,554 | 5,455 | 8,225 | 2,982 | 3,986 |
| Nicaragua | 756 | 392 | - | - | - | - | - | - | - | - |
| Total | 25,140 | 26,341 | 30,870 | 32,800 | 30,364 | 28,680 | 28,017 | 29,707 | 29,475 | 30,022 |
| COMPETITORS | | | | | | | | | | |
| UNITED STATES AND CANADA | | | | | | | | | | |
| Brazil | - | - | - | - | - | - | - | 1 | - | 1 |
| Colombia | - | - | 150 | 239 | 495 | 335 | 130 | 247 | 290 | 712 |
| Costa Rica-East | 1,985 | 1,816 | 1,496 | 888 | 534 | 256 | 118 | 224 | 353 | 343 |
| Cristobal | - | 39 | 39 | 185 | 280 | 245 | 295 | 341 | 437 | 400 |
| Cuba | - | - | - | - | - | - | 4 | 1 | 10 | 29 |
| Dominican Republic | 527 | 211 | 499 | 458 | 544 | 807 | 642 | 603 | 787 | 802 |
| Ecuador | 17,677 | 15,209 | 14,310 | 16,061 | 14,931 | 12,115 | 12,631 | 12,180 | 11,827 | 9,455 |
| Guadeloupe & Martinique | 245 | 18 | - | 3 | - | 20 | - | 9 | - | - |
| Guatemala West | 1 | 1 | 1,071 | 1,660 | 1,187 | 845 | 892 | 603 | 780 | 937 |
| Haiti | 130 | 212 | 184 | 69 | 5 | 23 | 97 | 149 | 58 | 279 |
| Honduras | 5,447 | 6,238 | 5,342 | 4,340 | 4,589 | 5,148 | 4,881 | 3,603 | 3,585 | 4,090 |
| Jamaica | - | - | - | - | - | 75 | 178 | - | - | - |
| Mexico East | 552 | 358 | 713 | 408 | 1,457 | 1,387 | 1,997 | 945 | 1,786 | 2,690 |
| Nicaragua (Bluefields) | 15 | 58 | 70 | 139 | 106 | 87 | 116 | 220 | 434 | 561 |
| Other | 67 | 7 | 8 | 1 | 1 | 18 | 51 | 51 | 65 | 87 |
| Total | 24,646 | 24,167 | 23,882 | 24,451 | 24,129 | 21,361 | 22,032 | 19,177 | 20,412 | 20,386 |

PX 1079
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# Annual Report 1960

## UNITED FRUIT COMPANY

PX 1079

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# * President's Letter

## to the Shareholders:

This is the first report covering a full year's activity of United Fruit Company under my administration. It has been a difficult year and unrewarding in terms of profits. At the same time, I believe it has been a constructive year in terms of setting the stage for the future.

During the past twelve months, we have been evolving solutions to problems that have been more than fifteen years in the making, and they can be resolved only by readjustment to the realities of today. Our planning necessarily is on a long-range basis.

It should be stated candidly that we at United Fruit — and, in fact, the entire banana industry — did not foresee the drastic and unprecedented collapse in the price structure of the world banana market during 1960. As the year advanced, we found that our profit projections had to be entirely revised, all of which was outlined in periodic letters to shareholders.

However, the Directors felt there was enough evidence of progress during the year in coming to grips with our problems to permit continuity in dividends, and the Board declared dividends in each of the four quarters in 1960, totalling 75 cents for the year, although this could not be justified in terms of 1960 earnings. From the report that follows you will see that the earnings of 25 cents per share are the lowest in many years.

The mainstay of our business is and will continue to be bananas. Our immediate problem is to find ways of conducting our banana business on a more profitable basis. Already annual gross savings of well over $5,000,000 per year have been accomplished from our cost reduction program which will be reflected in our 1961 earnings. We anticipate further recovery from our production problems, and banana shipments in 1961 should exceed those of 1960. Because of the importance of Ecuador as a supply source, we have substantially increased our purchases of good quality Ecuador fruit, when available. Our program for planting Lacatan bananas, which are resistant to the costly Panama disease, and our tropical packaging program made substantial progress in 1960 and will be pushed vigorously in 1961. We believe both these programs will help us towards a position where we can meet our competition more effectively.

In our boxed banana and processed food programs we are now moving from the experimental to the early phases of commercial development. As a result we are confronted with a whole new range of problems which will require substantial changes in transportation, marketing and merchandising.

We believe strongly that the Company's future relations in the Tropical Banana Divisions will be increasingly on an Associate Producer basis. Our Company plans to be a purchaser and merchandiser of fruit, with less emphasis on the operation of farms but with a continuing role as technical adviser to our Associate Producers. Our progress towards this objective is substantial, but a large part of the program still lies ahead. In the Dominican Republic and Ecuador we are operating 100 per cent on the Associate Producer basis, and in this latter country the transition was almost totally accomplished during the year 1960. There is reason to believe that a similar transition can be made in Colombia in the near future. While some problems have been encountered, we believe that 1961 will see further progress in this program in other countries.

In our diversification program, we decided to enter the general field of food and food processing because this is an area best suited to the Company's potentialities. Already one enterprise, Liana, Incorporated, has been ac-

PX 1079 730A

### Marketing and Sales

The Company's banana imports into United States, Canada and Europe were encouragingly above the disappointing totals of 1959 shipments. Since competitive importations also increased in 1960, total supplies of bananas reaching the market were excessive and prices suffered severely. Prices were firmer during the last quarter of 1960 than during the summer.

The Company has been experimenting extensively during the past year with new methods of packaging bananas at its tropical plantations. This boxing shows promise of:

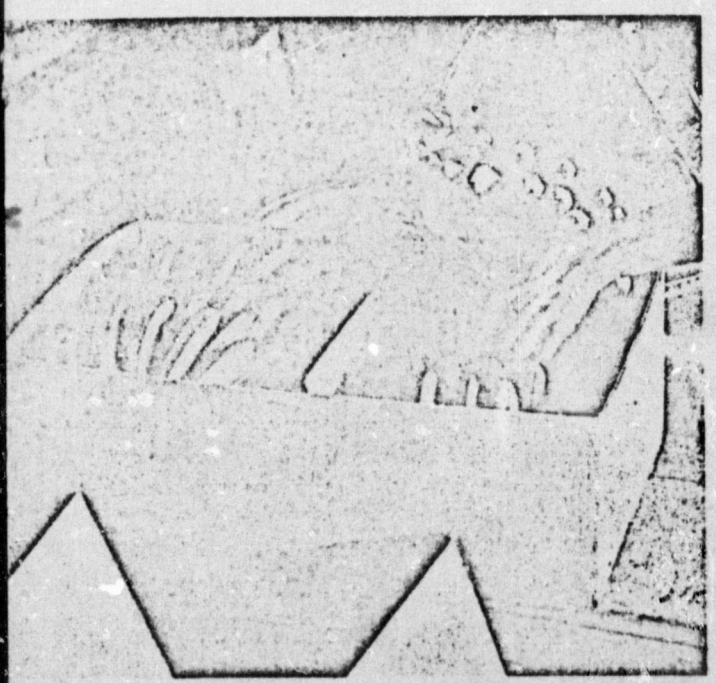
*a*) delivering a better and more salable product to the ultimate consumer

*b*) identifying Company products through labeling

*c*) enabling customers to concentrate on improved handling and merchandising techniques

*d*) reducing transportation and handling costs

*e*) reducing wastage, spoilage and handling losses.



**This corrugated cardboard carton being filled at the farm is one of various types of packaging developed for tropical banana boxing program. Note manner in which hands of bananas are placed.**

Although there are still problems to be overcome, results of boxed shipments to date, from both a cost and quality point of view, are encouraging. This program is far enough advanced so that the Company is now finalizing plans for a box factory in the tropics.

### Research

In the 1930's basic research was sharply curtailed with the exception of work on Sigatoka control. In the 1950's basic research was reestablished and in recent years a rapid acceleration of all research effort has been necessary to fill important gaps in the technology of banana cultivation and handling.

One of the most important problems in 1960 was the packaging of bananas, which required extensive studies of box construction, packing, handling and shipping.

Studies of existing disease resistant bananas, in addition to the Lacatan variety, were intensified and broadened. The program in Honduras to breed an entirely new, disease resistant banana from plant material collected by Company botanists in the Philippines and Netherlands New Guinea showed good progress.

Studies of Sigatoka disease and experimentation with new fungicides and application techniques have given increased promise of effective and more economical control measures.

## SUGAR

Seizure of the Company's properties in Cuba, which had supplied much of the raw sugar needs of the Revere Sugar Refinery in Charlestown, Massachusetts, made necessary the purchase of supplies in Mexico, Jamaica, Peru and other countries. Despite the higher costs caused by the dislocation of supply, Revere's volume of sales continued at profitable levels.

The seizure of the Company's properties without compensation under the Cuban Government's nationalization decree-law on August 4, 1960, is regarded by Company counsel as an act of confiscation rather than lawful expropriation because under the rule of International Law compensation must be adequate, effective and prompt. Such legal remedies as counsel determines most appropriate will be taken in an effort to obtain redress against this confiscation.

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# Balance Sheet

## ecember 31

## abilities

| | 1960 | 1959 |
|---|---|---|
| URRENT LIABILITIES: | | |
| Accounts payable | $ 12,278,691 | $ 7,923,685 |
| Accrued liabilities | 7,372,383 | 7,564,432 |
| Provision for International Railways of Central America litigation-*note 7* | 9,102,829 | 7,805,412 |
| Estimated United States and foreign income taxes | 4,027,548 | 2,996,775 |
| Dividend payable | 1,088,404 | — |
| Total current liabilities | 33,869,855 | 26,290,304 |
| EFERRED INCOME (revenue on account of unfinished voyages, etc.) | 1,972,622 | 2,186,428 |
| EFERRED EUROPEAN INCOME TAXES | 1,680,000 | 1,050,000 |
| ROVISION FOR SEVERANCE AND DEATH BENEFIT PAYMENTS (net after taxes)-*note 4* | 8,995,400 | — |
| HAREHOLDERS' EQUITY: | | |
| Capital stock — authorized, 9,000,000 shares without par value — issued, 8,775,000 shares-*note 8* | 200,000,000 | 200,000,000 |
| Retained earnings: | | |
| Appropriated for self-insurance | — | 5,000,000 |
| Unappropriated | 93,641,949 | 151,516,188 |
| | 93,641,949 | 156,516,188 |
| | 293,641,949 | 356,516,188 |
| Less cost of Company stock reacquired for restricted stock option incentive plan or for other corporate purposes (1960 — 68,575 shares)-*note 8* | 2,518,643 | 2,281,579 |
| | 291,123,306 | 354,234,609 |
| | $337,641,183 | $383,761,341 |

*Consolidated Financial Statements)*

PX 1079 732A

# Notes to Consolidated Financial Statements

1. The principle of consolidation followed by the Company is to include the assets, liabilities and operations of all subsidiaries. All foreign transactions are stated at their appropriate United States dollar equivalents.
2. The Provision for United States and foreign income taxes in the statement of consolidated earnings is the amount allocable to the income reported therein. However, principally because of the loss resulting from expropriation of assets in Cuba, which has been charged against Unappropriated retained earnings, no United States taxes are payable for 1960. In accordance with the loss carry-back provisions of the Internal Revenue Code, claims are being filed for refund of taxes paid in prior years approximating $19,400,942.
3. Following a reappraisal of the productive potential of the Company's banana cultivations, the Board of Directors decided to commit no further funds for the production of bananas in certain tropical areas. Accordingly, as of January 1, 1960 the book value of tropical banana facilities in these areas was written down to estimated economic value as determined by the Board of Directors. This resulted in a charge to Unappropriated retained earnings of $22,281,059 (book value of property, $36,290,242 less related future tax benefit, $14,009,183). The amount of the future tax benefit is being amortized over the period 1960–1965.

   This reappraisal also resulted in a charge to operations for an additional provision for possible losses on loans to independent banana planters in the amount (net after taxes) of $1,488,000.

   Had these revaluations of banana facilities and planters' loans not been made, Net earnings for 1960 would have been less by approximately $2,024,000.
4. In 1960 the Company adopted the accrual method of accounting for severance and death benefit payments contingently due to employees in Latin America in accordance with local legislation and labor agreements. Had this change not been made, Net earnings for 1960 would have been less by $849,000.
5. Because the Cuban assets were written off in 1960, the 1959 accounts have been restated for comparative purposes to show separately Net investment in Cuba.
6. Of the Other investments on December 31, 1960, $2,280,557 are carried at less than cost, $90,177 at book value (market value, $88,205) and $664,463 at estimated or nominal value as market values are not obtainable.
7. In 1960 the New York Court of Appeals upheld the adverse decision of the Referee against the Company in the suit brought by the minority stockholders of the International Railways of Central America. As a result of this decision, the Company would be required to compensate the railroad for what were claimed to be low freight rates and interest in the amount of $9,102,829, for which provision has been made in the accounts. Counsel are of the opinion that the Court of Appeals overlooked several important points of the appeal and have asked for a rehearing.

   For comparative purposes, the 1959 Provision for International Railways of Central America litigation, which was shown net after taxes in last year's report, and the related tax liability account have been reclassified to show the gross provision for International Railways of Central America litigation.

   In the Annual Report for 1959 it was reported that two treble-damage suits by Connecticut jobbers were pending in the federal courts in New York and Connecticut. As yet, no trial date has been set for either suit. The Company's attorneys continue to believe that these suits are without merit.

   As previously reported the Company signed a consent decree during 1958 terminating the civil antitrust suit brought by the United States Department of Justice. The decree imposed no monetary damages against the Company but requires that the Company submit a plan by June 30, 1966, for divesture of certain properties. After date of approval of the plan, compliance with its terms shall be within a period of four years.
8. The Company has a restricted stock option incentive plan under which options may be granted to key management employees to purchase up to 225,000 shares in total of the Company's capital stock at prices not less than 95% of the market value of the stock on the date the options are granted. At December 31, 1960 there were options outstanding for 73,750 shares as follows:

| *Date Granted* | *Shares* | *Option Price per Share* |
|---|---|---|
| 7/ 8/57 | 11,500 | $42.275 |
| 4/30/59 | 32,250 | 37.000 |
| 11/ 2/59 | 20,000 | 24.000 |
| 11/ 1/60 | 10,000 | 14.790 |
| | 73,750 | |

   No option may be exercised prior to one year nor subsequent to ten years after it is granted. Options exercised to date amount to 1,475 shares. No options were exercised in 1960. Options for 6,275 shares expired in 1960 due to death or retirement. 149,775 shares remain unoptioned.
9. The Company has various voluntary contributory pension plans for salaried employees, and at December 31, 1960, there were 9,021 members. The Company contribution to the plans for 1960 was $1,380,035.

# Report of Accountants

The Board of Directors and Shareholders
United Fruit Company

We have examined the consolidated balance sheet of United Fruit Company and subsidiaries as of December 31, 1960 and the related statements of consolidated earnings and consolidated unappropriated retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The accounts of the European subsidiaries which are included in the consolidated statements were examined by other independent public accountants. The assets and sales of these subsidiaries constitute 15% and 17%, respectively, of the related consolidated figures.

In our opinion, based on our examination and on the report of other independent public accountants, such financial statements present fairly the financial position of United Fruit Company and subsidiaries at December 31, 1960 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles which, except for the change (of which we approve) in accounting for severance and death benefit payments as described in note 4 of notes to consolidated financial statements, have been applied on a basis consistent with that of the preceding year.

Boston, Mass.
February 14, 1961

PEAT, MARWICK, MITCHELL & CO.

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## EXECUTIVE COMMITTEE

O. KELLEY ANDERSON
EDWARD L. BIGELOW
WILLIAM H. CLAFLIN
GEORGE P. GARDNER, JR.
ROBERT C. HILL
RICHARD M. NICHOLS
STANLEY DE J. OSBORNE
LOUIS S. SISTO
CHARLES H. STOCKTON
THOMAS E. SUNDERLAND
JOHN E. TOULMIN

## EXECUTIVE OFFICERS

THOMAS E. SUNDERLAND, *President*
LOUIS S. SISTO, *Executive Vice President*
JOHN M. FOX, *Executive Vice President*
ALBERT E. CARPENTER, *Vice President*
JESSE E. HOBSON, *Vice President*
J. ARTHUR MARQUETTE, *Vice President*
ROBERT O. MILLER, *Vice President*
H. GORDON SCOWCROFT, *Vice President*
EDMUND S. WHITMAN, *Vice President*
VICTOR C. FOLSOM, *General Counsel*
MAURICE J. REAGAN, *Comptroller*
EDWARD D. TOLAND, JR., *Secretary and Treasurer*

## TRANSFER AGENTS

OLD COLONY TRUST COMPANY, *Boston*
BANKERS TRUST COMPANY, *New York*

## REGISTRARS

THE FIRST NATIONAL BANK OF BOSTON, *Boston*
THE HANOVER BANK, *New York*

## DIRECTORS

GEORGE P. GARDNER, JR., *Chairman*
Partner, Paine, Webber, Jackson & Curtis, Boston, Mass.

O. KELLEY ANDERSON
President, New England Mutual Life Insurance Co., Boston, Mass.

EDWARD L. BIGELOW
Chairman of the Board, State Street Bank & Trust Company, Boston, Mass.

WILLIAM H. CLAFLIN
Director, United-Carr Fastener Corp., Boston, Mass.

ALEXANDER C. FORBES
Real Estate Management, Boston, Mass.

JOHN M. FOX
Executive Vice President, United Fruit Co., Boston, Mass.

RALPH F. GOW
President, Norton Company, Worcester, Mass.

ROBERT C. HILL
Director, Investors Diversified Services, Inc., former United States Ambassador to Costa Rica, El Salvador and Mexico, Littleton, N. H.

ROBERT LEHMAN
Partner, Lehman Brothers, New York, N. Y.

CHARLES A. MEYER
Vice President, Sears, Roebuck & Co., Dallas, Texas

JOSEPH W. MONTGOMERY
Retired Vice President, United Fruit Co., New Orleans, La.

RICHARD M. NICHOLS
Lawyer, Goodwin, Procter & Hoar, Boston, Mass.

JOHN K. OLYPHANT, JR.
Trustee, The Hanover Bank, New York, N. Y.

STANLEY DE J. OSBORNE
President, Olin Mathieson Chemical Corp., New York, N. Y.

LOUIS S. SISTO
Executive Vice President, United Fruit Co., Boston, Mass.

CHARLES H. STOCKTON
Lawyer, Choate, Hall & Stewart, Boston, Mass.

THOMAS E. SUNDERLAND
President, United Fruit Co., Boston, Mass.

A. THOMAS TAYLOR
Chairman of the Board, International Packers, Ltd., Chicago, Ill.

JOHN E. TOULMIN
Vice Chairman of the Board, The First National Bank of Boston, Boston, Mass.

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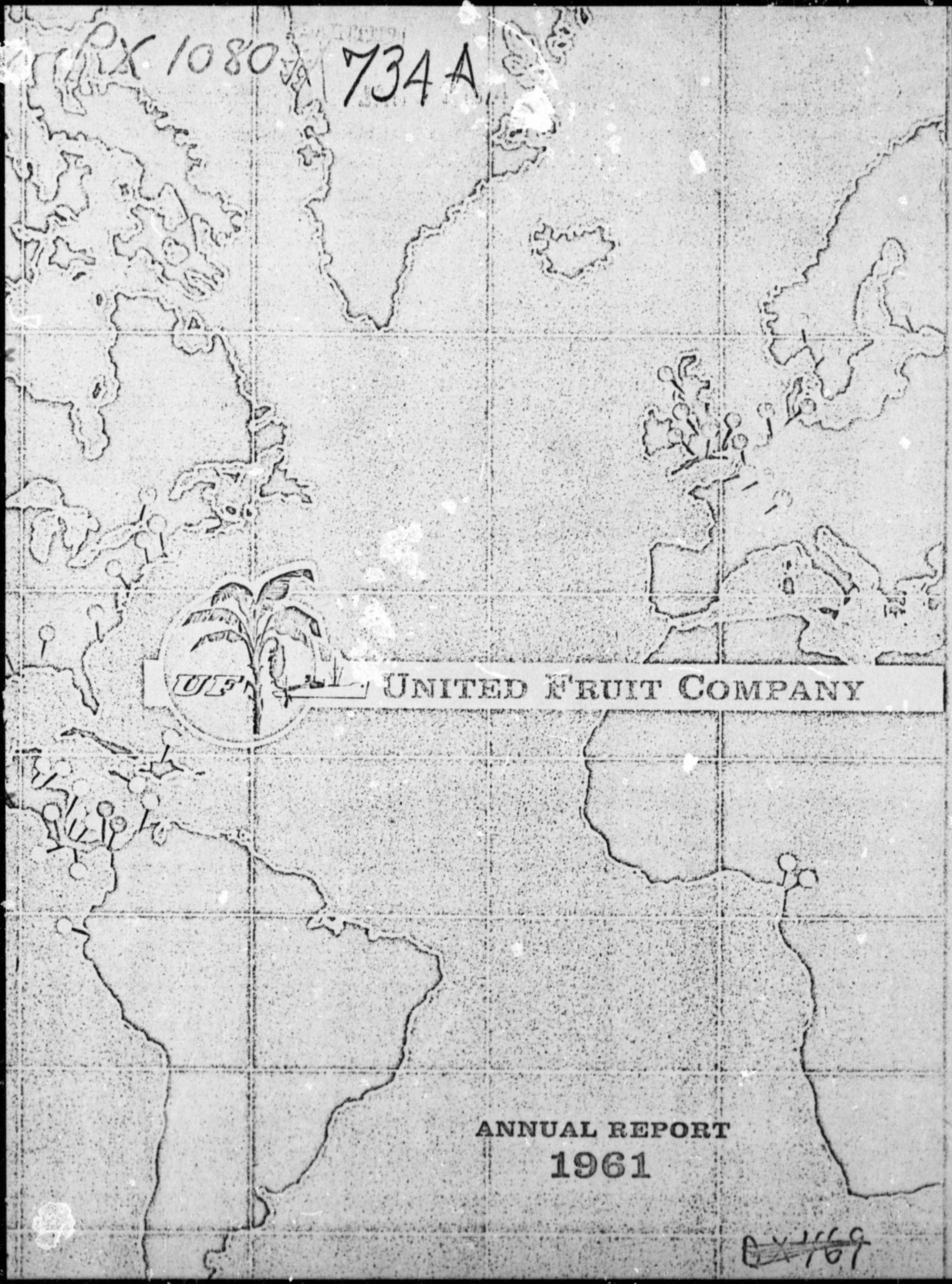

# UNITED FRUIT COMPANY

## ANNUAL REPORT
## 1961

PX 1169

PX 1080

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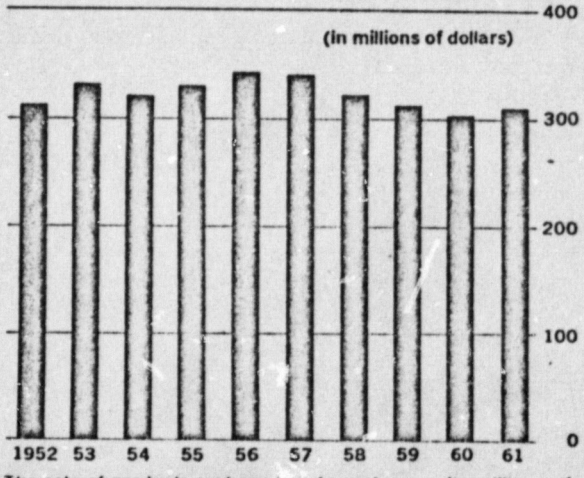
## HOW THE COMPANY OBTAINED AND USED WORKING CAPITAL

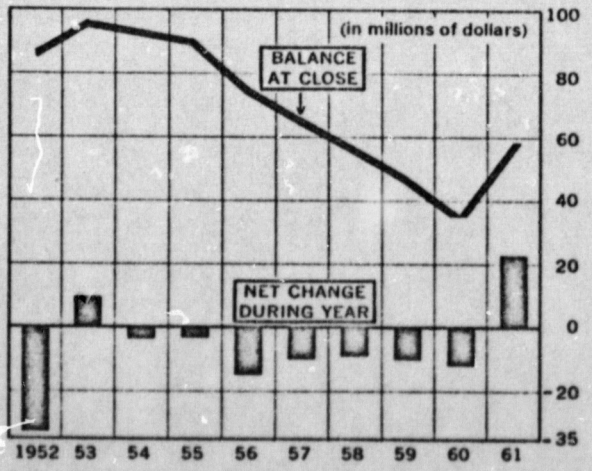
| | Year ended December 31 | |
|---|---|---|
| | *1961* | *1960* |
| The Company obtained working capital from: | | |
| Net earnings | $ 8,920,911 | $ 2,171,094 |
| Expenses which had been paid for previously: | | |
| Depreciation of fixed assets | 19,632,626 | 18,255,834 |
| Other non-cash items | 1,964,277 | 64,752 |
| | 30,517,814 | 20,491,680 |
| An increase in refundable United States income taxes | — | 13,181,564 |
| Non-recurring net profits from sale of tropical properties | 4,162,581 | — |
| A decrease in long-term investments | 1,412,349 | 878,794 |
| A decrease in inventories of material and supplies | 1,353,493 | 1,310,100 |
| Other sources | 1,968,371 | 4,726,483 |
| Total working capital obtained | 39,414,608 | 40,588,621 |
| The Company spent working capital by: | | |
| Purchasing and constructing new fixed assets | 17,221,881 | 29,239,432 |
| Paying dividends to shareholders | 4,340,742 | 6,532,773 |
| Reacquiring own stock | 1,737,503 | 237,064 |
| Reducing severance pay obligations | 977,600 | 848,700 |
| Total working capital spent | 24,277,726 | 36,857,969 |
| The Company increased working capital | $15,136,882 | $ 3,730,652 |

SALES




The sale of products and services to customers (in millions of dollars), illustrated above, shows rise in Company's income in 1961.

CASH AND SECURITIES




This ten-year analysis of the Company's cash and securities position (in millions of dollars) shows the substantial improvement in 1961 over 1960 as explained in the Financial Summary.

### BANANAS

Shipments of bananas in 1961 improved moderately over 1960 due primarily to increased sales in the European market. Losses from windstorms in Central America were not as great as in recent years. For the first time total banana exports from Ecuador declined from previous years.

The fruit shipped was principally Gros Michel bananas with a lesser amount of other varieties. The Company is developing seed beds and small commercial plantings of wind-resistant and disease-resistant bananas. As soon as marketing tests determine customer acceptability of a new variety, a decision can be made whether to cultivate this promising banana on a plantation basis.

Boxing of bananas in the tropics was developed on a large scale during the year, and at the close of the year 23% of the stems destined for export to the United States and Canada was being boxed prior to shipment. This percentage is expected to increase in 1962.

As a result of changes in organization and operations, numerous economies were achieved during 1961, and the necessity for the most economical operation consistent with efficiency is receiving constant attention. Special efforts also are being made to dispose of assets no longer required in the Company's activities.

The Associate Producer program was extended, and the Colombian, Ecuadorean and Dominican Republic divisions are now 100% Associate Producer operations. In Nicaragua arrangements were completed whereby the Company will purchase fruit grown by independent farmers under the auspices of a government-sponsored agency; shipments should begin during 1962.

Labor relations in the production areas were generally satisfactory throughout the year.

### MARKETING AND SALES

Improvement in quality and appearance of tropically boxed bananas over those shipped on the stem has increased the acceptability of boxed bananas in the United States and Canada. A survey was conducted in

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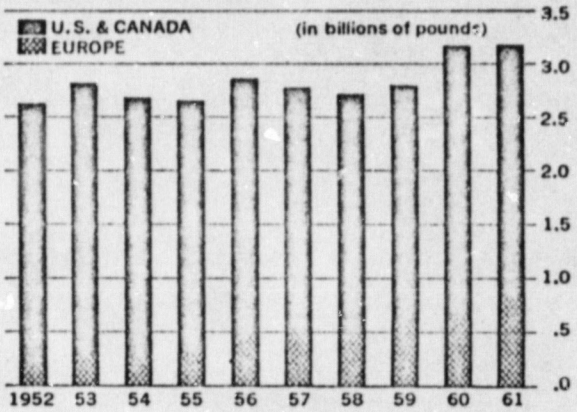
BANANA IMPORTS




The Company's banana imports into the United States, Canada and Europe, on basis of weight sold in billions of pounds, increased in 1961.

Syracuse, New York, to determine the extent of the preference of the consumer for bananas bearing the Chiquita brand. A full-scale market test of boxed Chiquita labeled fruit is one of the goals of 1962.

Saturation advertising was carried out in certain test markets in 1961. Pending the development of a branded product, the Company continued the curtailment of its general advertising expenditures outside of these test areas. Greater emphasis was placed on the activities of the Home Economics and Educational Departments; a number of guest appearances were made by home economists on radio and television programs. Printed student kits about the banana prepared by the Educational Department were mailed upon request to teachers and totaled 1,179,000 pieces.

## RESEARCH

The Company's efforts in the research field are being consolidated and intensified on current and foreseeable future problems in the production and handling of bananas from the farms to the consumer. Working closely with the Research Department is the newly established Quality Control Department. The high inspection standards being established will guarantee the consumer a superior banana.

Banana breeding activity in Honduras has been greatly accelerated by the development of improved cross-pollination methods.

Major phases of the Far East banana collecting expedition of 1959-60 are complete. Some 650 individual varieties and species have been collected in this undertaking. The Company now has the largest and most comprehensive genetic bank of banana breeding material ever assembled.

In support of the Company's program for boxing of bananas, much scientific activity during the year has been devoted to container design, methods for control of rots and molds, and handling procedures.

## SUGAR

The profit of the Revere Sugar Refinery has been maintained at a satisfactory level, although somewhat below that of last year. Responsibility for all sugar operations, both producing and refining, has been centralized. It is hoped that sugar legislation now before the United States Congress will offer possibilities for a greater spread between the costs of raw sugar and the receipts from sales of refined products.

## OTHER PRODUCTS

Over-all production of palm oil was up and satisfactory profit was realized during 1961.

As part of a major study of cattle ranching and meat packing possibilities in various areas where the Company operates, a small livestock packing plant operation has been started in Honduras. Further experience is needed before a decision is reached as to whether operations on a large scale would be profitable. It is expected that profits from cattle and meat packing operations will be modest, at least for several years.

World market prices for cacao continued disappointingly low for most of the year; however, prices firmed somewhat at the end of the year, and indications are for better results in 1962.

Starting late in 1961 the Company began limited importation of pineapples on a commercial scale after many months of experimentation with varieties and packaging. All pineapples presently are purchased from national growers.

## EUROPE

Elders & Fyffes, Ltd. continued the importation of bananas into the United Kingdom with supplies from Jamaica and Africa and, to the extent dollar exchange restrictions and market conditions permitted, from other countries in the Caribbean. This company also imported and sold tomatoes from the Canary Islands, Spain and the Channel Islands, and some citrus from Jamaica.

A new terminal at Greenock, Scotland, has been completed. The company's Store Branches, which are situated throughout the United Kingdom and ripen bananas for sale and delivery to retailers, have been maintained in a high state of efficiency, and a program of modernization is in constant progress. A new Store Branch was opened in England during October.

The subsidiary in France contended with supply difficulties because of the situation in the Republic of Cameroun, the former French colony in West Africa. Importations increased encouragingly from the 1960 low level.

The Company's German associates continued to expand their operations aggressively, and tonnage of Company bananas sold in West Germany was substantially higher than in 1960.

Tonnage sold by the Netherlands subsidiary increased over 1960. During the year regular shipments of bananas to Finland were resumed for the first time since World War II, and prospects of expanding this market are encouraging.

The Company is alert to developments resulting from formation of the Common Market in Europe and is prepared to supply any additional markets that may develop. Under way are studies of the feasibility of opening up markets for bananas originating in Latin America from which importations have not been possible since World War II.

## DIVERSIFICATION

In the processed foods field the Company is developing its ability to freeze-dry foods, both raw and cooked,

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*de Nipe* sailed for the Soviet Union to deliver sugar illegally seized by the Castro government from a United States citizen.

The National Labor Relations Board ordered an election to be held commencing December 17, 1961 on the Honduran-flag vessels of the subsidiary, Empresa Hondureña de Vapores, S.A., to determine whether the Honduran seamen on these vessels would have as their bargaining representative the National Maritime Union or a Honduran union other than the one now representing these seamen under Honduran labor law, or whether they would wish to have no union represent them. Empresa and the Honduran union representing the seamen commenced separate suits in the United States courts in New York and Washington, D.C., to enjoin the election as beyond the Board's jurisdiction. In both suits court orders were issued temporarily prohibiting the election, and further court proceedings are pending.

## MANAGEMENT AND ORGANIZATION

During April a management reorganization became effective, providing better direction and more effective coordination of the Company's diverse activities. Prior to the reorganization, twenty-three officers of the parent company and subsidiaries were reporting to the President's office. This number was reduced to nine, and the responsibilities of these nine were re-aligned and delineated so that each officer has definite responsibilities and authorities. Several new functions were added in the areas of budgeting, marketing and quality control. The reorganization has resulted in a more effective management team better equipped to meet the Company's present problems and to plan for its future growth.

Elections and Appointments of Management Personnel:

John M. Fox, *Executive Vice President*
Victor C. Folsom,
*Vice President and General Counsel*
John B. Harris, *Vice President*
Dale D. McConkey, *Vice President*
Franklin Moore, *Secretary*
William T. van Diepen, *Director of Research*
James G. Owen, *Chief Engineer*

After nearly 44 years of loyal and faithful service Executive Vice President Louis S. Sisto asked for early retirement, effective February 1, 1962, and the Company regretfully agreed to his request. He will continue as a member of the Board of Directors and as a consultant to Management.

The valuable contributions of General Walter Bedell Smith will be missed by the Company and the Board of Directors. General Smith died on August 9, 1961. He had been a member of the Board of Directors from 1955 to 1960 and had served as chairman of the Policy Committee. Because his health prevented him from continuing as an active member he retired in 1960.

On the passing of a banana pioneer, Samuel Zemurray, a tribute was voted by the Board of Directors. Mr. Zemurray, who died on December 1, 1961, was known for his deep interest in the economic and social progress of the countries where the Company operates. This was particularly evidenced by his original conception of the Escuela Agricola Panamericana at Zamorano, Honduras. The resolution, adopted unanimously by the Board, stated in part:

> "Samuel Zemurray's service with the Company as President and as Director extended over a period of 27 years, during which time he demonstrated outstanding ability, loyalty and dedication to the Company's interests, his efforts and wise counsel contributing immeasurably to the growth and success of the Company."

## SHAREHOLDERS

A welcome is extended to new shareholders, and many thanks to all others for their continuing confidence in Management.

Shareholders are reminded that the 63rd Annual Meeting will be held in Boston, Massachusetts, April 18, 1962. See the notice on page 1 for time and place.

## NOTICE TO SHAREHOLDERS

Effective with the year 1962, the Company will change the basis of determining interim earnings. In the past, banana earnings have been based on actual production costs for the period in question which, due to the normal but rather drastic seasonal variations in the banana business, have resulted in wide fluctuations in earnings from quarter to quarter. Hereafter, so as to limit such fluctuations generally to changes in dollar receipts from sale of products and services, interim profits will be determined on total year estimates of unit production cost, similar to standard costs, with the result that reported earnings (losses) will vary less from quarter to quarter. The following table will illustrate the changes in reported quarterly earnings per share if the new method had been employed during the years 1961 and 1960:

| | 1961 | | 1960 | |
|---|---|---|---|---|
| | *As Previously Reported* | *New Basis* | *As Previously Reported* | *New Basis* |
| March quarter | $ .02 | $ .04 | $ .32 | $ .34 |
| June quarter | .57 | .42 | .38 | (.05) |
| September quarter | .30 | .13 | (.30) | (.20) |
| December quarter | .14 | .44 | (.15) | .16 |
| Total Year | $1.03 | $1.03 | $ .25 | $ .25 |

It will be noted that total year earnings are, of course, unchanged irrespective of the method used in calculating interim profits.

PX 1081
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# ANNUAL REPORT · 1962

# UNITED FRUIT COMPANY

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## HOW THE COMPANY OBTAINED AND USED WORKING CAPITAL

| | Year Ended December 31 1962 | 1961 |
|---|---|---|
| The Company obtained working capital from: | | |
| Net earnings | $11,005,888 | $ 8,920,911 |
| Expenses which had been paid for previously: | | |
| Depreciation of fixed assets | 17,403,481 | 19,632,626 |
| Other non-cash items | 1,209,781 | 1,964,277 |
| | 29,619,150 | 30,517,814 |
| Nonrecurring net profits from sale of tropical properties | 2,694,638 | 4,162,581 |
| A decrease in long-term investments | 754,644 | 1,412,349 |
| A decrease in inventories of material and supplies | 264,100 | 1,353,493 |
| Other sources, principally book value of fixed assets sold | 3,559,080 | 1,968,371 |
| Total working capital obtained | 36,891,612 | 39,414,608 |
| The Company used working capital by: | | |
| Purchasing and constructing new fixed assets | 9,774,608 | 17,221,881 |
| Declaring dividends to shareholders | 5,330,515 | 4,340,742 |
| Reacquiring own stock | 4,105,879 | 1,737,503 |
| Reducing severance pay obligations | 83,400 | 977,600 |
| Total working capital used | 19,294,402 | 24,277,726 |
| The Company increased working capital | $17,597,210 | $15,136,882 |

The Board of Directors on January 7, 1963, approved an expenditure for purchase of shares of capital stock from shareholders. Shares acquired pursuant to an Invitation for Tenders will be available for general corporate purposes, including corporate acquisitions for diversification, options granted under the Company's Restricted Stock Option Incentive Plan, and other Company activities. The Invitation for Tenders expired January 28, 1963, and the Company acquired 426,300 shares thereunder at a total cost of $10,990,254.

## BANANAS

### Production

Tonnage of Western Hemisphere bananas shipped in 1962 was slightly less than in 1961, due as previously stated, to heavier wind-storm losses. The reduction in stems available for shipment of approximately 8% was partially offset by increased weights per stem (see chart on page 5) due to improved agricultural practices, and as a result the net reduction in weight of shipments was only 2%. For the third consecutive year significant economies were achieved in tropical operations.

The new variety bananas, which are resistant to both wind and root disease, won consumer acceptance in various marketing tests during the year. Several thousand additional acres of these bananas were planted in 1962, and plans call for increased plantings in 1963 and subsequent years.

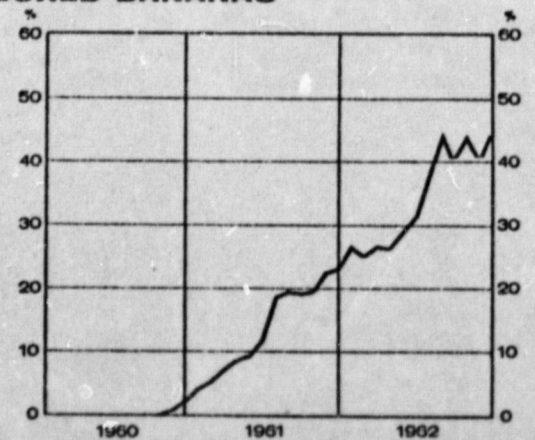
### Boxing

Boxing of bananas in the tropics serves to give the fruit maximum protection during transit from the farm to the market place and has found increasing favor with the many jobbers and chain store buyers who serve as the vital links to the individual consumer.

During 1962 the conversion of several producing areas to this improved handling system was carefully and steadily expanded. As the year ended, nearly 50% of the bananas imported by the Company into the United States and Canada were boxed, and for Europe this figure was approximately 4%. During 1963 or by early 1964 it is planned to complete the conversion from stem fruit to boxed bananas in those Company divisions serving the United States and Canadian markets, and a substantial change-over is also anticipated in those areas where the Company is primarily a purchaser rather than a grower of bananas.

The boxing of bananas at the plantation creates a need for an enormous supply of corrugated cartons. The potential economies from vertical integration in these supply activities are being seriously explored. The first box manufacturing plant in the tropics is scheduled to commence operations in Golfito, Costa Rica, May 1, 1963. Another will start shortly afterward in Armuelles, Panama.

### BOXED BANANAS




The success of the boxed banana program is illustrated by this chart showing the rapid increase in importation of boxed bananas into the United States and Canada. The ascending line represents the percent of boxed bananas to the total of bananas imported since the start of boxing operations.

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buy their fruit. In other countries a closely related policy is to purchase locally those materials, supplies and merchandise which the Company requires for local operations. An example of the effectiveness of this policy is the fact that in Costa Rica the overwhelming percentage of the merchandise sold in the commissaries and stores in Company areas in 1962 was made or purchased in Costa Rica. Another change was in Honduras where all Company dairies were sold to local interests and dairy products are now purchased from them. In short, various programs are under way for establishing a partnership between United Fruit Company and citizens of the countries where it operates. These programs provide for local participation in constructive and progressive development of the local economy with the cooperation and support of the United Fruit Company.

Another Company program provides for the training and development of nationals interested in the banana industry to enable them to assume managerial positions in the Company's Latin American operations or eventually to start their own operations. Management development programs take several forms. In one program nationals are given on-the-job training in the various facets of Company operations and are promoted to responsible positions just as soon as they are sufficiently trained to handle them and openings develop. The Company also has a new formal program for training and upgrading managerial talent. More and more nationals are being promoted to managerial jobs, and more will be promoted when they are trained and ready.

## MARKETING AND SALES

A fully integrated sales organization — the United Fruit Sales Corporation — became operative on August 8. Designed to streamline the sales organization and improve banana sales for long-range growth, this renamed organization replaces the Fruit Dispatch Company. The sales efforts are now directed by the Vice President — Sales of the United Fruit Company. A Director of Sales is responsible for coordinating the headquarters and field sales activities in both the United States and Canada.

United Fruit Sales Corporation provides an effective over-all marketing team. The responsibility of the General Office staff will be to provide promotion and advertising programs directed toward improving the competitive sales position. A system of regional sales managers was established to improve supervision and provide rapid and effective communication within sales divisions.

Distribution of boxed bananas grew substantially during 1962. The first regional market to be converted to all boxed fruit from the tropics was that served by the San Francisco, California, sales office. This was done early in 1962, then extended to Seattle, Washington, and Vancouver, British Columbia, to name several areas, and reception by customers there and elsewhere since has been excellent.

With the advent of large scale tropical boxing, the opportunity to brand and package all fruit for retail consumption becomes feasible for the first time. Experimental work in identifying and packaging two brands of Company fruit was completed during 1962. Several illustrations in this Annual Report show the result of these efforts. The cover is an enlarged reproduction of the new label design to be used. A photograph on the inside front cover shows the blue and gold decals on labelled fruit. Test marketing of Chiquita Premium film packaged bananas is expected to begin early in 1963. Special advertising and promotion programs were developed for this marketing effort.

In 1962 for the first time the Company began to discharge bananas at Houston, Texas. This provides better service to customers in Texas and Colorado.

A program to promote the full medical and dietary value of bananas has been launched in eleven medical journals to better acquaint an estimated 200,000 doctors and others in the medical profession with the nutritional assets of the banana. Carefully planned and professionally administered clinical studies also are in progress to first ascertain and then publish the many important contributions that a regular daily diet of bananas can make to people of all ages.

In addition to the usual assistance and supervision in the design and construction of banana ripening facilities at customers' warehouses, the Company's Customers Services Department engineers diversified and expanded their activities to help customers adjust to the proper handling of tropically boxed fruit.

The Merchandising Department, in promoting more aggressive merchandising of bananas, distributed approximately 1,250,000 point-of-sale advertising displays for use in retail stores.

## RESEARCH

The Research Department in 1962 effectively translated laboratory recommendations into efficient and economic agricultural operations which resulted in cost savings and contributed to improved earnings. An improved and unique method of Sigatoka leaf spot control involving aerial application of protectant fungicide sprays was achieved during the year. This is the result of five years of research efforts and represents a major scientific breakthrough.

The first promising hybrid banana has already been produced by the Company's breeding program. This particular plant is one of a group of hybrids produced from crosses between the low-growing, wind-resistant variety and a wild banana resistant to Panama disease. Extensive testing and observation will be needed to evaluate thoroughly its quality and disease resistance, but this is an encouraging example of what may develop from this program.

Using extremely sensitive instruments and a trained group of employees as a taste panel, banana flavor and aroma characteristics are now being studied. These investigations should indicate which new banana varieties, and which growing, handling and ripening procedures, will result in the banana flavor and aroma most preferred by the consumer.

## SUGAR

Although sugar legislation enacted in 1962 by the United States government has presented serious problems of raw sugar supply, profits of the Revere Sugar Refinery, a subsidiary of United Fruit Company since 1914, have been maintained at a satisfactory level, and were somewhat higher than last year.

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# Y AND SUBSIDIARIES

## ummary

| Shareholders' Equity | Shareholders' Equity Per Share | Shares Outstanding | Shareholders | Financial Data: |
|---|---|---|---|---|
| $298,948,510 | $35.33 | 8,460,925 | 74,635 | 1962 |
| 295,324,101 | 34.19 | 8,637,725 | 78,879 | 1961 |
| 291,123,306 | 33.44 | 8,706,425 | 84,056 | 1960 |
| 354,234,609 | 40.64 | 8,717,425 | 90,851 | 1959 |
| 356,471,831 | 40.70 | 8,757,725 | 94,824 | 1958 |
| 358,150,274 | 40.90 | 8,756,250 | 91,374 | 1957 |
| 355,032 593 | 40.45 | 8,775,000 | 84,779 | 1956 |
| 350,456,743 | 39.93 | 8,775,000 | 76,767 | 1955 |
| 343,357,084 | 39.12 | 8,775,000 | 71,954 | 1954 |
| 337,357,149 | 38.44 | 8,775,000 | 68,463 | 1953 |

| Taxes Paid | Depreciation and Property Losses | Per Share | | | Operating Data: |
|---|---|---|---|---|---|
| | | Net Earnings | Dividends Declared | Taxes Paid | |
| $20,518,175 | $18,464,076 | $1.30 | $ .62½ | $2.43 | 1962 |
| 19,082,867 | 19,012,443 | 1.03 | .50 | 2.21 | 1961 |
| 23,133,261 | 18,464,131 | .25 | .75 | 2.66 | 1960 |
| 29,470,554 | 26,803,468 | 1.39 | 1.00 | 3.38 | 1959 |
| 40,546,652 | 25,656,407 | 2.60 | 2.75 | 4.63 | 1958 |
| 44,782,700 | 21,235,738 | 3.59 | 3.00 | 5.11 | 1957 |
| 42,361,442 | 20,878,468 | 3.45 | 3.00 | 4.82 | 1956 |
| 48,585,247 | 18,474,975 | 3.82 | 3.00 | 5.53 | 1955 |
| 50,209,628 | 21,960,900 | 3.58 | 3.00 | 5.72 | 1954 |
| 47,713,450 | 17,093,028 | 5.02 | 3.50 | 5.43 | 1953 |

| Nautical Miles Steamed | Freight Movement Tons (Excluding Company) | Number of Employees | | Statistics: |
|---|---|---|---|---|
| | | Tropical | Others | |
| 5,331,954 | 1,389,525 | 39,357 | 9,945 | 1962 |
| 5,166,421 | 1,339,578 | 39,690 | 10,328 | 1961 |
| 5,011,127 | 1,278,605 | 50,284 | 9,925 | 1960 |
| 4,795,113 | 1,473,958 | 65,737 | 10,079 | 1959 |
| 5,031,267 | 1,566,852 | 68,982 | 10,378 | 1958 |
| 5,200,882 | 1,717,557 | 78,990 | 11,163 | 1957 |
| 5,151,787 | 1,816,430 | 83,760 | 11,142 | 1956 |
| 5,195,677 | 1,597,817 | 81,670 | 11,169 | 1955 |
| 5,115,311 | 1,432,479 | 81,958 | 10,335 | 1954 |
| 5,082,502 | 1,621,880 | 96,353 | 10,302 | 1953 |

For comparative purposes above figures include all companies consolidated since year 1954. Taxes Paid includes federal, state, local and foreign taxes as well as import and export duties and consular fees. Number of shares and per share rates, except for dividends, are based upon number of shares outstanding at end of each year. No retroactive adjustment has been made in the 10-Year Summary for the special items charged and credited to Consolidated Retained Earnings in 1960, 1961 and 1962.

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# ANNUAL REPORT

# 1963

# UNITED FRUIT

# COMPANY

PX 1082 743A

# PRESIDENT'S LETTER

**To The Shareholders:**

1963 was a very disappointing year for earnings. Our operating earnings were $458,298 or $.06 per share, compared to $11,005,888 or $1.30 per share last year. Two factors were primarily responsible for the depressed earnings: (1) Windstorm losses came abnormally early in the year and were at a time and in such locations as to deprive the Company of its best quality boxed fruit during the best marketing periods of the year; (2) Extremely low prices prevailed in the United States and Canada during the last quarter of the year. These factors were discussed in our letters to shareholders during the year and receive detailed analysis in subsequent portions of this report.

The year 1963 was one of accomplishments in several important areas, and it would be a mistake to put emphasis on 1963 earnings to the exclusion of the real progress that the Company showed during the year.

The Annual Report for 1963 can be read in better perspective if one understands the Company's long-range plans and realizes that 1963-1964 is a transition period during which many of the new programs have not yet reached profitable levels and most of them have not had time to show their full potential. These programs will make fundamental changes in our basic business.

For the benefit of new shareholders and as a reminder to all shareholders, it may be useful to summarize the long-range programs to which the Company now is fully committed.

The business of growing bananas is subject to many natural hazards generally associated with agriculture—but the two which have been most costly to this Company are: (1) Panama disease, the soil fungus which attacks the roots of the banana and kills the plant, and (2) windstorm losses. Both of these problems have been present for a long time but have had a more drastic effect on earnings in recent years because of reduced profit margins due to increasing competitive imports.

To make up for losses of acreage each year to Panama disease and thus maintain production levels, the Company had to clear, drain and plant many thousands of acres of virgin land each year. These new areas usually required complete new facilities such as housing, schools, utilities, roads and rail installations. The total cost of developing such new acreage has been heavy and would be more in the future. Any program which could produce a disease-resistant banana and thus eliminate these high annual costs resulting from Panama disease would return great benefits to the Company. The other major production expense came from blowdowns, which frequently destroyed as much as one-quarter of the year's crop. Cost savings in a most substantial amount would result if losses from windstorm could be reduced to any substantial degree.

The first major effort to solve these two problems started in 1960 with experimental and necessarily small-scale production and marketing tests of various new varieties of bananas, many of them developed over a period of years in the Company's research farms. The experimental bananas had differing responses to various disease, soil and climatic conditions. Progress came slowly in the early stages — experience showed not all areas were equally suitable for all disease-resistant varieties. For example, our first disease-resistant banana did very well in one division but not as well in other areas where climatic conditions differed and winds were more of a factor. In 1962, the Company made the basic decision to concentrate on the Valery banana when completed tests showed this new variety to be a superior producer under varying conditions and resistant to both wind and disease.

This new plant produced an excellent banana, but it could not be transported satisfactorily in stem or bunch form, as had been the practice since the start of the banana business. Test shipments had to be made over a considerable period of time to prove the feasibility of boxing bananas in the tropics for shipment to market; and concurrent market tests were needed to establish the practicability of selling tropic-boxed bananas. During the time these shipping and market tests were being made, seedbeds were being developed as fast as possible. Commercial plantings of the new Valery banana started in 1962 were expanded very substantially in 1963 when adequate supplies of seed became available for the first time, and are being increased further in 1964.

We expect important production from low-growing plants in 1964, but our volumes will be substantially greater in 1965 and 1966 when we will benefit from all the acreage being planted during the current accelerated program. All of these new plantings will become increasingly valuable to the Company as the cultivations mature and gain productive capacity during the first two years in bearing. With increased plantings of the new bananas, production levels expected to be realized in the next two years should put the Company in a more comfortable supply position.

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The new Valery bananas will make it possible to replant fertile areas owned by the Company but out of production because of Panama disease. Much of the capital investment has already been made in these divisions, and the expenses of planting and bringing to bearing are the major portion of the entire cost of creating the new production.

The Company's experience to date with the low-growing banana is most encouraging. In the areas devastated by windstorms in 1963, on those farms where there was 100% destruction of tall Gros Michel plants, the losses of low-growing plants were estimated at no more than 20%. On other farms where Gros Michel wind losses were 75% or less, there were no significant losses of low-growing plants. Windstorm damage can never be eliminated completely, but the Company will be much less subject to the costs and disruptions of blowdowns as we complete our accelerated program to plant the low-growing banana.

Important progress is being made in cost improvement in all levels of the Company, but the biggest potential exists in the new planting programs. Our programs have been underway long enough to provide evidence that our cost and quality objectives are realistic. While improvements in production costs should be increasingly effective during the coming year, they cannot be fully realized until the 1964-1965 plantings have reached maturity.

Marketing problems are as important and as difficult as agricultural problems in this transition period. Competitors imported greatly increased quantities of bananas in 1963 and the price level was lower than in any recent period.

There are promising developments in brand marketing. Our program to sell "Chiquita® Brand Bananas" in the United States and Canada will be substantially on a national basis during 1964. This requires a regular supply of top quality fruit and we are confident that the Company can consistently deliver a better quality product than is normally possible by our competitors. Each of our shareholders can assist this marketing development by asking for "Chiquita® Brand Bananas" in the stores in which he or she trades. This is a new method of marketing bananas and results cannot be guaranteed, but experience to date from a number of test markets leads us to believe that this will be a successful and profitable method of merchandising the Company's product. We will be reporting results to our shareholders as they become known.

In building for the future, we have undertaken many new activities, including: (1) market surveys on which to base advertising and merchandising policies for the future, (2) development of new advertising and sales programs, (3) test programs to develop better boxing, packaging and materials handling, (4) tests of market response to various types of boxed fruit, (5) studies of possible new distribution patterns, (6) establishment of quality control standards and the training of new personnel for this function, and (7) building new boxing stations and box manufacturing plants and training tropical personnel to operate them. All of these meant substantial start-up expenses in 1963. Some are one-time expenses; others will be reduced as we gain additional experience in these new and previously unexplored areas of our business, and most of them should be generating additional revenue and contributing to net profit as the market acceptance of boxed and branded fruit increases. It is expensive to change so many phases of our business so rapidly, but we believe we are making a sound and necessary investment in the future of the Company.

The Company is in a transition period during which we are endeavoring to strengthen our position:

1. by planting wind-resistant and disease-resistant bananas in areas where they can be produced and shipped to market at the lowest cost;
2. by developing our new production in geographically dispersed areas to provide increased protection against weather abnormalities in a particular local area, such as happened in 1963;
3. by changing from marketing bananas as a commodity to selling them as a branded product of consistently high quality; and
4. by continuing emphasis on a far-reaching program for realistic cost reduction at all levels in the Company.

An important portion of the transition period will be behind us by the end of 1964, and further progress is expected in 1965-1966 as we reduce many of the initial costs inherent in our new sales programs, phase out some of our higher cost production, streamline our new and more efficient tropical divisions, and improve our boxing, distribution, and merchandising activities.

In several countries where United Fruit operates there were political difficulties in 1963. It should be reassuring to the shareholders that the Company's relations with the governments there remain friendly and cooperative.

Finally, I want to pay tribute to the ability, strength, and spirit of our employees during the difficult year just completed. The Company with their loyal support will surely have the capacity to face successfully the problems and challenges that lie ahead.

T E Sunderland

THOMAS E. SUNDERLAND

February 24, 1964

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# OPERATIONS IN 1963

The Company's banana operations in 1963 were adversely affected by:

1. A serious marketing problem which contributed to a substantial reduction in revenues. During the year, competitors imported increasingly larger amounts of bananas, and in the last quarter excessive imports by some depressed the prices of bananas to abnormally low levels. Competitors brought over 25% more bananas into the United States and Canada during the last quarter than in the same period in 1962. The average price of bananas during this period was more than 15% below the corresponding average in 1962.
2. The unfortunate location and timing of windstorms affected materially the supply of the Company's bananas. Although the total number of stems lost was not a record in 1963, blowdown losses hurt more than usual because they came abnormally early and also because they were concentrated in our two largest divisions and the only divisions where the Company had been able to complete boxing facilities. These losses deprived us of a large portion of our best quality boxed fruit at a critical time. Replacement supplies were obtained in the open market to keep our customers supplied but the quality was generally unsatisfactory — because much of it could not be boxed, it had to be sold in stem form at discounted prices. Since the Company had already paid out the money necessary to produce the lost crop, this open market replacement fruit represented double expense for the Company.

An important part of the year's activities related to implementation of the long-range plans for the Company. These plans are outlined in the President's Letter at the beginning of this report. We are pleased to report satisfactory progress in all phases of these long-range plans.

In 1960 and 1961, while awaiting the final outcome of feasibility determinations of various banana varieties resistant to Panama disease and windstorms, new planting schedules were held to a rather low level. This has resulted in correspondingly lower total production from Company divisions. Commercial development of the disease-resistant Lacatan variety, and then the low-growing varieties such as the Valery which is both wind-resistant and disease-resistant, now have enabled the Company to move ahead as fast as seedbed development permits. Acceleration of our planting program promises to restore the Company to adequate production in approximately two years.

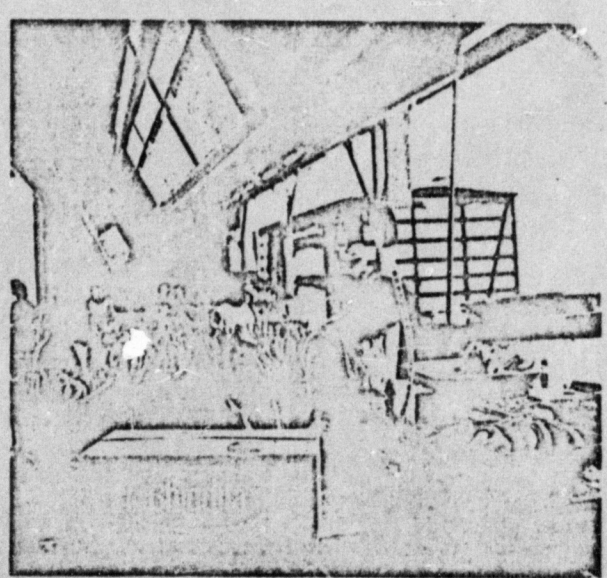
The Company's experience in tropical agricultural areas over a long period of years leads us to believe that weather "averages out" over a period of time. No one can predict the weather for the year ahead, but we know of no reason to be pessimistic for the long term. When our new acreage comes into production, we will acquire additional protection from weather abnormalities in any one area by producing substantial amounts in widely dispersed areas.

## FINANCIAL SUMMARY

Income from the sales of products and services to customers of the United Fruit Company and subsidiaries amounted to $329,910,481 in 1963 compared with $319,786,983 in 1962. These income figures do not include profits from sales of property which were credited to Retained Earnings. The Company's banana operations continue to provide the major share of revenue.

Consolidated net income of $1,574,180, $.20 per share, consisted of $458,298 or $.06 per share from operations plus $1,115,882 or $.14 per share of nonrecurring net profits realized from the sale of tropical properties and which was credited to Retained Earnings. This compares with operating net profits of $11,605,888 or $1.30 per share and nonrecurring net profits of $2,694,638 or $.32 per share in 1962.

The ratio of taxes ($1,975,000) to earnings ($2,433,298) in 1963 was abnormally high — 81%. This was the result of taxes on operations in several foreign countries measured against the earnings of all companies, including



Labelling the Chiquita® Brand Banana on a tropical farm. Here a woman employee applies a gummed label prior to boxing and shipping the banana to market.

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# d Subsidiaries

## MMARY

## FINANCIAL DATA

| areholders' Equity | Shareholders' Equity Per Share | Shares Outstanding | Shareholders | |
|---|---|---|---|---|
| 83,261,564 | $35.31 | 8,022,925 | 67,334 | 1963 |
| 98,948,510 | 35.33 | 8,460,925 | 74,635 | 1962 |
| 95,324,101 | 34.19 | 8,637,725 | 78,879 | 1961 |
| 91,123,306 | 33.44 | 8,706,425 | 84,056 | 1960 |
| 54,234,609 | 40.64 | 8,717,425 | 90,851 | 1959 |
| 56,471,831 | 40.70 | 8,757,725 | 94,824 | 1958 |
| 58,150,274 | 40.90 | 8,756,250 | 91,374 | 1957 |
| 55,032,593 | 40.45 | 8,775,000 | 84,779 | 1956 |
| 50,456,743 | 39.93 | 8,775,000 | 76,767 | 1955 |
| 43,357,084 | 39.12 | 8,775,000 | 71,954 | 1954 |

## OPERATING DATA

| Taxes Paid | Depreciation and Property Losses | Per Share | | | |
|---|---|---|---|---|---|
| | | Net Earnings | Dividends Declared | Taxes Paid | |
| 1,302,59 | $16,989,844 | $ .06 | $ .60 | $2.66 | 1963 |
| 0,518,175 | 18,464,076 | 1.30 | .62½ | 2.43 | 1962 |
| 9,082,867 | 19,012,443 | 1.03 | .50 | 2.21 | 1961 |
| 3,133,261 | 18,464,131 | .25 | .75 | 2.66 | 1960 |
| 9,470,554 | 26,803,468 | 1.39 | 1.00 | 3.38 | 1959 |
| 0,546,652 | 25,656,407 | 2.60 | 2.75 | 4.63 | 1958 |
| 4,782,700 | 21,235,738 | 3.59 | 3.00 | 5.11 | 1957 |
| 4,361,442 | 20,878,468 | 3.45 | 3.00 | 4.82 | 1956 |
| 3,585,247 | 18,474,975 | 3.82 | 3.00 | 5.53 | 1955 |
| 0,209,628 | 21,960,900 | 3.58 | 3.00 | 5.72 | 1954 |

## STATISTICS

| tical Steamed | Freight Movement Tons (Excluding Company) | Number of Employees | | |
|---|---|---|---|---|
| | | Tropical | Others | |
| 983 | 1,296,238 | 42,963 | 9,873 | 1963 |
| 232 | 1,389,525 | 39,357 | 9,945 | 1962 |
| 997 | 1,339,578 | 39,690 | 10,328 | 1961 |
| 127 | 1,278,605 | 50,284 | 9,925 | 1960 |
| 113 | 1,473,958 | 65,737 | 10,079 | 1959 |
| 267 | 1,566,852 | 68,982 | 10,378 | 1958 |
| 882 | 1,717,557 | 78,990 | 11,163 | 1957 |
| 787 | 1,816,430 | 83,760 | 11,142 | 1956 |
| 677 | 1,597,817 | 81,670 | 11,169 | 1955 |
| 811 | 1,432,479 | 81,958 | 10,335 | 1954 |

For comparative purposes above figures include all companies consolidated since year 1954. Taxes Paid includes federal, state, local and foreign taxes as well as import and export duties and consular fees. Number of shares and per share rates, except for dividends, are based upon number of shares outstanding at end of each year. No retroactive adjustment has been made in the 10-Year Summary for the special items charged and credited to Consolidated Retained Earnings after 1959.

PX 1082

747A

# DIRECTORS

*George P. Gardner, Jr.
*Chairman*
General Partner
Paine, Webber, Jackson & Curtis
Boston, Mass.

*O. Kelley Anderson
President
New England Mutual Life Ins. Co.
Boston, Mass.

Edward L. Bigelow
Chairman of the Board
State Street Bank & Trust Co.
Boston, Mass.

William H. Claflin
Trustee
Boston, Mass.

*Member of Executive Committee

Herbert C. Cornuelle
Group Vice President
United Fruit Company
Boston, Mass.

*Victor C. Folsom
Vice President & General Counsel
United Fruit Company
Boston, Mass.

*John M. Fox
Executive Vice President
United Fruit Company
Boston, Mass.

Ralph F. Gow
President, Norton Company
Worcester, Mass.

*Robert C. Hill
Consultant, United Fruit Company
Boston, Mass.

Robert Lehman
Partner, Lehman Brothers
New York, N. Y.

J. Arthur Marquette
Senior Vice President
United Fruit Company
Boston, Mass.

*Charles A. Meyer
Vice President, Sears, Roebuck & Co.
Dallas, Texas

*Richard M. Nichols
Lawyer, Goodwin, Procter & Hoar
Boston, Mass.

John K. Olyphant, Jr.
Trustee, New York, N. Y.

*Stanley deJ. Osborne
General Partner
Lazard Freres & Co.
New York, N. Y.

Charles H. Stockton
Lawyer, Choate, Hall & Stewart
Boston, Mass.

*Thomas E. Sunderland
President
United Fruit Company
Boston, Mass.

A. Thomas Taylor
Chairman of the Board
and President
International Packers Ltd.
Chicago, Ill.

*John E. Toulmin
Vice Chairman of the Board
The First National Bank of Boston
Boston, Mass.

# EXECUTIVE OFFICERS

Thomas E. Sunderland
*President*

John M. Fox
*Executive Vice President*

J. Arthur Marquette
*Senior Vice President*

Herbert C. Cornuelle
*Group Vice President*

Richard W. Berry
*Vice President*

Albert E. Carpenter
*Vice President*

Victor C. Folsom
*Vice President and General Counsel*

William J. Hoelle
*Vice President*

Dale D. McConkey
*Vice President*

Robert O. Miller
*Vice President*

Joseph H. Roddy
*Vice President*

William T. van Diepen
*Vice President*

William B. Mason
*Comptroller*

Franklin Moore
*Secretary*

Edward D. Toland, Jr.
*Treasurer*

# PRINCIPAL SUBSIDIARY and AFFILIATED COMPANIES

CANADIAN UNITED FRUIT COMPANY LIMITED
*Canada*

CARAIBISCHE SCHEEPVAART MAATSCHAPPIJ, N. V.
*Netherlands*

CARIBBEAN STEAMSHIP AGENCY LIMITED
*Great Britain*

CHIRIQUI LAND COMPANY
*Panama*

COMPAÑIA AGRICOLA DE GUATEMALA
*Guatemala*

COMPAÑÍA BANANERA DE COSTA RICA
*Costa Rica*

COMPAÑÍA BANANERA DEL ECUADOR
*Ecuador*

COMPAÑÍA FRUTERA DE SEVILLA
*Colombia*

CUKRA DEVELOPMENT COMPANY
*Nicaragua*

ELDERS & FYFFES LIMITED
*Great Britain*

EMPRESA HONDUREÑA DE VAPORES, S. A.
*Honduras*

GRENADA COMPANY
*Dominican Republic*

LA COMPAGNIE DES BANANES, S. A.
*France*

REVERE SUGAR REFINERY
*United States*

TELA RAILROAD COMPANY
*Honduras*

TROPICAL RADIO TELEGRAPH COMPANY
*United States*

UNITED FRUIT COMPANY (EUROPA) N. V.
*Netherlands*

UNITED FRUIT & FOOD CORPORATION
*United States*

UNITED FRUIT JAMAICA COMPANY
*Jamaica*

UNITED FRUIT SALES CORPORATION
*United States*

UNITED FRUIT TRADING CORPORATION
*United States*

PX 1083
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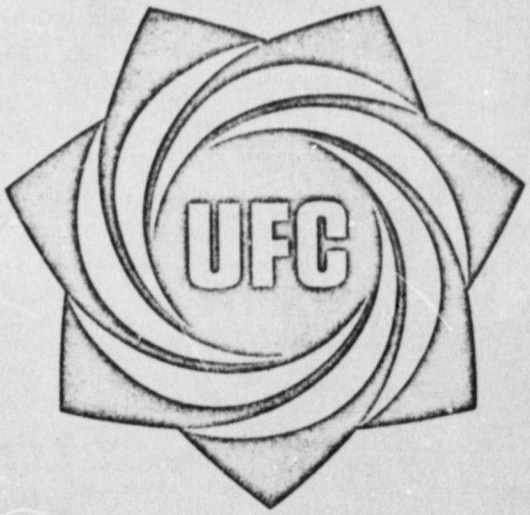


# 1964

# *Annual Report*

# UNITED FRUIT COMPANY

PX 1083

749A

# OPERATIONS IN 1964

**FINANCIAL SUMMARY** Revenue from the sale of products and services to customers of the United Fruit Company and Subsidiaries amounted to $333,414,640 in 1964, compared with $329,910,481 in 1963.

Consolidated net income for 1964 amounted to $704,560, after taxes, or 9 cents per share, compared with $458,298 or 6 cents per share in 1963.

The figures for the year 1964 are net after certain reserves which were provided principally for anticipated losses on accounts receivable and on surplus materials in certain tropical countries. These adjustments, which the Company felt were prudent to make, primarily cover planned shifts of operations away from uneconomic areas to low-cost producing areas.

Foreign income taxes amounted to $3,800,000 as compared with earnings before taxes of $4,504,560. The Company paid, as in other years, local income taxes on profitable operations in several foreign countries. Net losses in one foreign country cannot be used to offset taxable profits in another foreign country although the consolidated earnings represent all countries including those with loss operations. As loss areas are phased out and replaced by profitable areas, the ratio of income taxes to earnings will be much lower.

The net earnings for 1964 and 1963 exclude certain nonrecurring net profits and losses resulting from unusual charges and credits of a material nature. Consistent with past practice, these items have been added to or deducted from unappropriated retained earnings. In 1964, the addition to unappropriated retained earnings amounted to $444,779 or 6 cents per share and resulted primarily from profits from sales of tropical properties incident to the closing of the West Coast Guatemala Division, after related costs. This compares with a similar addition in 1963 of $1,115,882 or 14 cents per share. As shown in the Statement of Consolidated Earnings and Unappropriated Retained Earnings, the amount of $4,300,000, after taxes, was deducted in 1964 from unappropriated retained earnings as a provision for pensions and payments in lieu of notice of severance required by law in certain foreign countries. Such items have previously been recorded on a cash basis. Also deducted are adjustments of anticipated tax benefits recorded in prior years of $4,558,982. In addition, the amount of $9,500,000 was appropriated from retained earnings as a contingency for—

1. Future possible tropical losses, principally from phasing out certain operations in high-cost areas, not yet determinable.
2. Future possible losses on disposition of obsolete sugar ships and outmoded facilities as part of the modernization of the Revere Sugar Refinery.

Dividends of 15 cents per share were paid in each quarter, making a total payment for the year of 60 cents per share. Because of lack of earnings the Directors at their December meeting took no action on the declaration of a dividend which normally would have been distributed in February 1965.

Capital expenditures amounted to approximately $21,100,000 compared with $17,700,000 in 1963, and under $10,000,000 in 1962.

Cash and marketable securities were $51,131,453 at the close of the year compared with $55,582,518 at the close of the prior year. This change reflected the heavy capital expenditure program, new investments (not classified as marketable securities), and increased planters' loans.

**BANANA PRODUCTION** Tonnage of bananas shipped in 1964 was slightly higher than during 1963; volume was less to the United States and Canadian markets, but increases to Europe more than offset this.

The Valery® banana program has been developing favorably and rapidly. The planting program started modestly in 1962, increased to large scale in mid 1963 when seed beds first reached adequate proportions, has continued at greatly accelerated rates throughout 1964 and is ahead of schedule. The Company is planting this new variety in the divisions located on the east coast of Central America. Production of Valery bananas by the end of 1965 will be 80% of the Company production in our east coast divisions.

Conversion of the west coast divisions to the Valery banana from the Gros Michel variety presently growing there will begin in early 1965 and will be accelerated as seed becomes available. Because of the higher production of the Valery, the Gros Michel is no longer competitive when all other factors are equal.

The favorable and rapid development of the Valery program now permits re-evaluation of all our banana divisions. Only those areas capable of

® Valery is a registered trade mark of United Fruit Company.

PX 1083

750A

## HOW THE COMPANY OBTAINED AND USED WORKING CAPITAL IN 1964

| | |
|---|---|
| The Company obtained working capital from: | |
| Net earnings | $ 704,560 |
| Depreciation | 18,115,462 |
| Other non-working capital items charged to net earnings | 3,973,669 |
| Other sources including book value of fixed assets sold, etc. | 3,222,213 |
| Total working capital obtained | 26,015,904 |
| The Company used working capital by: | |
| Purchasing and constructing new fixed assets | 21,125,371 |
| Declaring dividends to shareholders | 3,610,316 |
| Increasing long-term investments | 3,857,633 |
| Severance payments | 4,552,600 |
| Total working capital used | 33,145,920 |
| The Company decreased working capital | $ 7,130,016 |

meeting cost targets will be kept in operation. The Tiquisate Division in Western Guatemala was closed in 1964 because of declining production and higher costs. Most of the assets of the Tiquisate Division were disposed of at satisfactory prices, mainly by sale to local farmers; some assets were transferred to the government as provided by the original contract. Substantial severance payments in accordance with law were made, and all possible measures were taken to insure that the community's economy did not suffer unnecessarily as a result of the termination of the Company's activities.

The Company's third corrugated box plant in the tropics, this one located in Honduras, began operations in late summer. This plant joins those operating in Costa Rica and Panama to supply the container requirements of three major divisions. These modern plants produce corrugated boxes at costs lower than for boxes imported or available locally; it is estimated that more than $1 million was saved in 1964 and the Company estimates a $4 million saving in 1965.

The high point of the Company's Associate Producer Program in 1964 was the rapid development of the Turbo banana division in Colombia. Producers of high quality fruit as well as the Company received profitable returns on their investments. The balance of the 35,000 acres of this Associate Producer development will be fully planted during 1965, ahead of schedule.

**BANANA MARKETING** There was heavy competitive pressure on prices in the United States and Canada during most of the first eleven months of the year. The bottom dropped out of this banana market in the closing weeks of 1964 as a result of oversupplies of fruit being rushed there by all importers in anticipation of a December strike and shutdown of ports by longshoremen. However, the ports did not close in 1964, imports continued and prices toppled under the pressure of the excessive supplies.

The year was marked by the total conversion by the Company of its markets in the United States and Canada to boxed bananas. Use of boxes for banana handling is necessary with the Valery and desirable for all bananas. This change in banana handling was one of the early objectives in the modernization of the Company and was accomplished in less than three years and approximately on schedule. The banana industry has now generally accepted the boxed fruit concept; year-end figures show shipments of boxed fruit to the United States and Canada are 95% of all bananas entering these markets. This method of handling bananas is fast becoming universal. This has been one of the quickest and most dramatic innovations in the history of food distribution.

The boxing program represents an investment of millions of dollars and is important in the maintenance of high quality so necessary for the success of our Valery and Chiquita® brand programs. Boxed banana shipments also are being made to the European market and already the Company is sending about 20% of its fruit there in boxes.

The year has been marked by the increasing acceptance, by both the consumers and the trade, of the Company's Valery banana. This has been a gratifying substantiation of painstaking agricultural and marketing research plus consumer testing that was done prior to the large investment by the Company in planting this new variety.

This was the first full year of national distribution of the Chiquita® brand banana. However, quantities of branded fruit were limited during the

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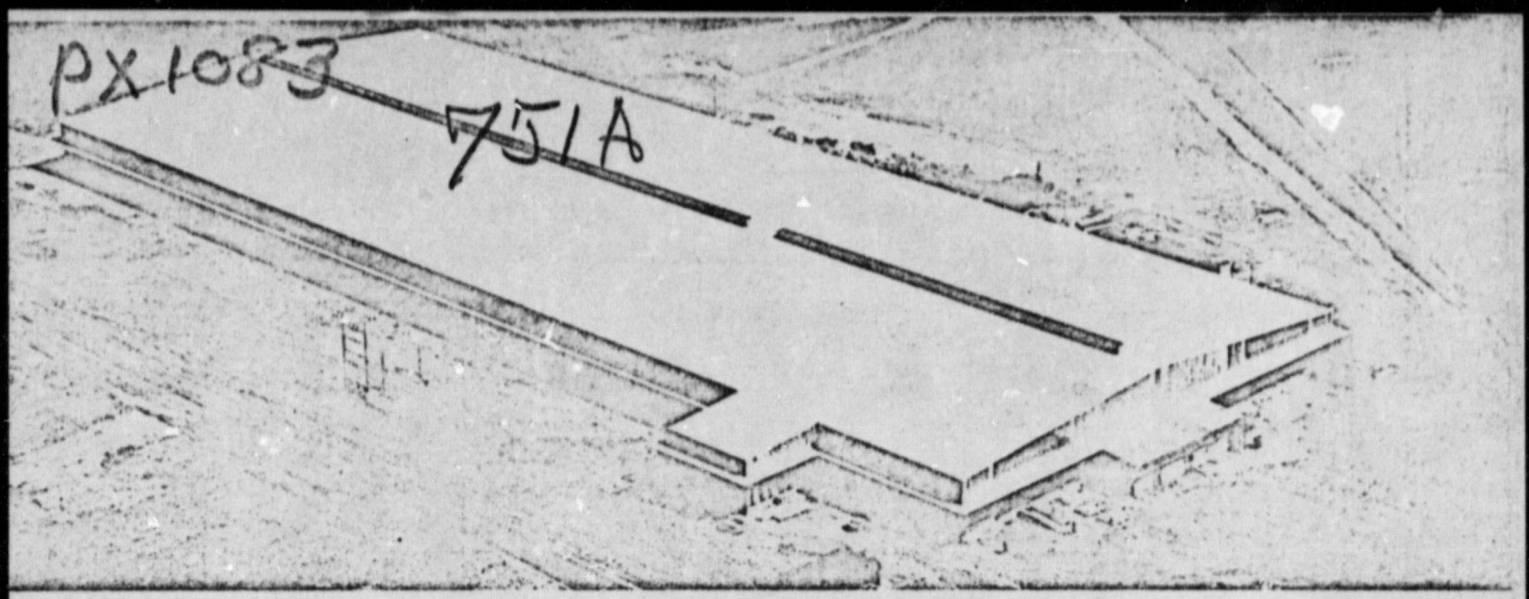


This corrugated box plant in Honduras — the largest and most recent of those now operated by the Company — is an integral part of the Company's multi-million-dollar boxing program.

first six months and were not sufficient to enable the branded banana to reflect significantly upon the profit picture. Chiquita brand sales at the end of 1964 represented three-quarters of all Company sales in the United States.

As Chiquita brand bananas were progressively introduced to each market, there was an accompanying advertising campaign in print media and on television. In addition, there was national advertising in several Sunday newspaper supplements. Since then the Chiquita sales program has been supported by spot television advertisements. Additional merchandising representatives were put into the field to promote sales by assisting retailers to adopt improved handling techniques and to plan effective sales displays at retail outlets.

The introduction of the Chiquita brand encountered the usual problems incidental to bringing a new brand to public attention. A longer period of time is necessary to measure this program, but the initial indications based upon the findings of independent marketing and consumer research organizations are: the Chiquita brand has emerged as a well-defined premium brand capable of attracting and maintaining a significant price differential at the retail level. Although it is difficult to develop precise measurements, it is management's opinion that the Chiquita brand program has paid its way during 1964 and with skilful handling should contribute additional profits during future years.

**RESEARCH** The new Valery banana is meeting all performance expectations and is out-producing Gros Michel by a substantial margin. Investigations are being concentrated on achieving further advances in cultural practices and pest control methods so that the full potential of Valery for high quality fruit yields at minimum cost will be assured. As an example, studies have demonstrated that the use of herbicides for controlling grass and weed growth in banana cultivations will reduce farm maintenance expense and increase fruit production.

The banana breeding program has made continued progress toward its goal of creating new and improved banana varieties for eventual use when and if needed. Out of some 700 hybrids produced to date, thirty have been selected for further development and evaluation. Some of these selections possess the marked advantage of resistance to various banana diseases in addition to Panama disease.

Methods developed by Research for the control of nematode infection from banana planting material and for the eradication of nematodes from soil have made possible the Valery planting program in several divisions. A production life of at least ten years is expected from these plantings in contrast to the three to five year life which would have resulted with nematode infection.

**OVERSEAS OPERATIONS** The Company's operations were profitable in Great Britain and Europe.

Banana sales in the United Kingdom were the best in several years, with good marketing conditions especially during the first half of 1964.

Two United Kingdom produce companies were acquired by the British subsidiary, Elders & Fyffes, Ltd., during the year; these companies will strengthen the subsidiary's distribution of bananas and other fruit and vegetables.

The Dutch subsidiary, which sells bananas to Germany and Scandinavia in addition to Benelux, Switzerland and Austria, increased its sales in 1964. During the year, the Dutch subsidiary signed a contract with the Government of Surinam, under which the entire banana production of that country will be purchased. Surinam (formerly a Dutch colony) is now an independent part of the Kingdom of the Netherlands, and is an Associated Overseas Territory of the European Common Market. Bananas from this source will enjoy preferential import duty treatment in the Common Market countries.

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# TEN-YEAR

*(Dollar amounts in*

## FINANCIAL DATA

| | *Total Assets* | *Working Capital* | *Working Capital Ratio* | *Capital Expenditures* | *Net Fixed Assets* |
|---|---|---|---|---|---|
| 1964 | $318,113 | $47,233 | 2.86 | $21,125 | $177,814 |
| 1963 | 324,592 | 54,363 | 3.01 | 17,695 | 178,336 |
| 1962 | 337,794 | 68,275 | 3.73 | 9,775 | 177,579 |
| 1961 | 331,373 | 50,678 | 3.19 | 17,222 | 187,855 |
| 1960 | 337,641 | 35,541 | 2.05 | 29,239 | 193,703 |
| 1959 | 383,761 | 31,811 | 2.21 | 34,569 | 221,065 |
| 1958 | 386,339 | 45,289 | 2.63 | 23,574 | 240,059 |
| 1957 | 395,914 | 44,893 | 2.31 | 31,904 | 243,609 |
| 1956 | 401,379 | 49,052 | 2.15 | 37,330 | 239,260 |
| 1955 | 390,134 | 62,091 | 2.71 | 25,830 | 226,258 |

## OPERATING DATA

| | *Sales of Products and Services to Customers* | *Net Income Before Taxes* | *Net Earnings* | *Dividends Declared* | *Earnings Retained Increase (Decrease)* |
|---|---|---|---|---|---|
| 1964 | $333,415 | $ 4,505 | $ 705 | $ 3,610 | $(2,905) |
| 1963 | 329,910 | 2,433 | 458 | 4,814 | (4,356) |
| 1962 | 319,787 | 16,256 | 11,006 | 5,331 | 5,675 |
| 1961 | 311,321 | 12,321 | 8,921 | 4,341 | 4,580 |
| 1960 | 304,421 | 2,871 | 2,171 | 6,533 | (4,362) |
| 1959 | 312,921 | 20,888 | 12,088 | 8,746 | 3,342 |
| 1958 | 324,386 | 37,742 | 22,742 | 24,082 | (1,340) |
| 1957 | 342,325 | 52,555 | 31,455 | 26,297 | 5,158 |
| 1956 | 343,693 | 54,083 | 30,283 | 26,325 | 3,958 |
| 1955 | 333,243 | 58,119 | 33,539 | 26,325 | 7,214 |

## STATISTICS

| | *Bananas* Tons Sold (Boxed Basis)* | *Cacao Tons Produced* | *Palm Oil Tons Produced* | *Number of Company Owned Vessels* |
|---|---|---|---|---|
| 1964 | 1,249,044 | 4,475 | 12,763 | 47 |
| 1963 | 1,217,744 | 4,886 | 12,750 | 52 |
| 1962 | 1,272,043 | 6,893 | 10,865 | 55 |
| 1961 | 1,295,372 | 6,146 | 8,389 | 55 |
| 1960 | 1,282,258 | 6,614 | 7,901 | 54 |
| 1959 | 1,121,669 | 6,813 | 7,938 | 55 |
| 1958 | 1,090,060 | 4,690 | 7,849 | 60 |
| 1957 | 1,117,944 | 4,661 | 5,586 | 61 |
| 1956 | 1,149,420 | 4,008 | 5,782 | 61 |
| 1955 | 1,063,670 | 4,904 | 4,275 | 62 |

*For comparative purposes the weight of bananas sold on the stem in all years has been adjusted to approximate an equivalent quantity of boxed fruit.

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dgment entered in the Unit States District
urt for the Eastern District of Louisiana
ited States of America v. United Fruit Company,
A. No. 4560.

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TIQUISATE (GUATEMALA WEST)

ACREAGE (PLANTED & MATURE)

| | Gros Michel | Variety | Total |
|---|---|---|---|
| 12/31/63 | 13,000 | Nil | 13,000 |
| 12/31/64 | 11,000 | 2,000 | 13,000 |
| 12/31/65 | 8,000 | 5,000 | 13,000 |
| 12/31/66 | 5,000 | 9,000 | 14,000 |
| 12/31/67 | 2,000 | 13,000 | 15,000 |
| 12/31/68 | - | 15,000 | 15,000 |

(Plant 2,000 in 1964; 3,000 in 1965; 4,000 in 1966; 4,000 in 1967; and 2,000 in 1968.)

COST TO DEVELOP

| | | |
|---|---|---|
| 1964 | ($300. per acre + $100,000 replacements) | $ 700,000. |
| 1965 | " " " " | 1,000,000. |
| 1966 | " " " " | 1,300,000. |
| 1967 | " " " " | 1,300,000. |
| 1968 | " " " " | 700,000. |
| TOTAL | | $ 5,000,000. |

PRODUCTION 1964-1970

| | Gros Michel (Stems) | Variety (Stems) | Total (Stems) | Total (Boxes) 1.68 |
|---|---|---|---|---|
| 1964 | 2,300,000 | - | 2,300,000 | 3,900,000 |
| 1965 | 1,700,000 | 600,000 | 2,300,000 | 3,900,000 |
| 1966 | 1,100,000 | 1,500,000 | 2,600,000 | 4,400,000 |
| 1967 | 400,000 | 2,700,000 | 3,100,000 | 5,200,000 |
| 1968 | - | 3,900,000 | 3,900,000 | 6,600,000 |
| 1969 | - | 4,500,000 | 4,500,000 | 7,600,000 |
| 1970 | - | 4,500,000 | 4,500,000 | 7,600,000 |

PLACED ABOARD AT BARRIOS

| | | |
|---|---|---|
| 1964 | 3,900,000 Boxes | $ 2.02 Per Box |
| 1965 | 3,900,000 " | 1.98 " |
| 1966 | 4,400,000 " | 1.95 " |
| 1967 | 5,200,000 " | 1.85 " |
| 1968 | 6,600,000 " | 1.83 " |
| 1969 | 7,600,000 " | 1.78 " |
| 1970 | 7,600,000 " | 1.78 " |

Note: Railway freight - Tiquisate to Barrios - 500 to 600 boxes per car at .25 per box.

Boston, 10/2/63

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COMPETATIVE IMPORTATIONS BY VOL. AND PERCENTAGE OF MARKET
STEMS AND STEM EQUIVALENTS
SOURCE: FORM 1902

| PORT | FROM | PERIOD DECEMBER 1964 | PERIOD DECEMBER 1963 |
|---|---|---|---|
| **Standard Fruit and S/S Co.** | | | |
| New York | Honduras | 2,694,900 | 2,725,100 |
| New York | Costa Rica | 253,000 | 10,000 |
| New York | Ecuador | 2,497,300 | 1,313,200 |
| New York | Dominican Republic | - | 10,100 |
| New Orleans | Honduras | 2,337,600 | 2,323,000 |
| New Orleans | Costa Rica | 2,264,700 | 1,969,000 |
| New Orleans | Ecuador | 2,433,200 | 2,131,100 |
| Brownsville | Costa Rica | 17,700 | - |
| Charleston | Costa Rica | - | 6,300 |
| Charleston | Honduras | - | 398,900 |
| Gulfport | Costa Rica | 50,000 | - |
| Gulfport | Ecuador | 35,700 | 43,800 |
| Gulfport | Sp. Honduras | 45,000 | - |
| Jacksonville | Ecuador | 83,600 | - |
| Tampa | Costa Rica | 1,400 | - |
| Tampa | Ecuador | 1,300 | - |
| Tampa | Sp. Honduras. | 2,600 | - |
| L.A. & S.F. | Ecuador | 2,080,200 | 2,111,900 |
| TOTAL | | 14,798,200 | 13,042,400 |
| **Cia. Bananera Antillana** | | | |
| New Orleans | Costa Rica | 60,300 | - |
| STANDARD GRAND TOTAL | | 14,858,500 | 13,042,400 |
| | | 27.1% | 25.1% |
| **Ecuadorian Fruit Importing Corp.** | | | |
| New York | Dominican Republic | - | 331,200 |
| New York | Ecuador | 1,263,850 | 1,036,400 |
| Baltimore | Ecuador | 191,600 | 55,300 |
| New Orleans | Ecuador | - | 238,300 |
| Galveston | Ecuador | 79,900 | 23,800 |
| Gulfport | Ecuador | 1,800,700 | 1,128,800 |
| Gulfport | Dominican Republic | - | 23,600 |
| Jacksonville | Ecuador | 108,000 | 58,500 |
| Jacksonville | Dominican Republic | 36,000 | - |
| Miami | Dominican Republic | - | 9,200 |
| Tampa | Dominican Republic | - | 143,200 |
| Tampa | Ecuador | 4,900 | 74,500 |
| TOTAL | | 3,484,950 | 3,122,800 |
| | | 6.4% | 6.0% |
| **Continental Fruit Co. Inc.** | | | |
| New York | Ecuador | 1,604,200 | 1,350,500 |
| New York | Martinique | 50,100 | 146,900 |
| New York | Martinique (Lacatan) | 152,300 | - |
| Baltimore | Ecuador | 529,700 | 656,600 |
| Baltimore | Martinique | 14,800 | 79,700 |
| Baltimore | Martinique (Lacatan) | 89,000 | - |
| Miami | Martinique | - | 18,000 |
| TOTAL | | 2,440,100 | 2,251,700 |
| | | 4.4% | 4.3% |

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Compilation

| PORT | FROM | PERIOD DECEMBER 1964 | PERIOD DECEMBER 1963 |
|---|---|---|---|
| **Effo Banana & Sales** | | | |
| Gulfport | Ecuador | 1,659,900 | 1,556,300 |
| | | 3.0% | 2.99% |
| **Parker Banana Company** | | | |
| Tampa | Ecuador | 1,401,600 | 1,479,600 |
| | | 2.6% | 2.8% |
| **Atlantic Banana Co.** | | | |
| Jacksonville | Ecuador | 330,200 | 405,900 |
| Tampa | Colombia | - | 8,300 |
| Tampa | Dominican Republic | - | 6,600 |
| Tampa | Ecuador | 1,013,600 | 714,400 |
| TOTAL | | 1,343,800 | 1,135,200 |
| | | 2.4% | 2.2% |
| **West Indies Fruit Co.** | | | |
| New York | Guadeloupe | - | 4,500 |
| New York | Ecuador | 314,300 | 289,800 |
| Baltimore | Ecuador | - | 2,800 |
| Norfolk | Haiti | - | 78,100 |
| Norfolk | Haiti (Lacatan) | - | 34,400 |
| Galveston | Ecuador | 972,900 | 484,800 |
| TOTAL | | 1,287,200 | 894,400 |
| | | 2.3% | 1.7% |
| **Gulf Banana Company** | | | |
| Gulfport | Ecuador | - | 42,000 |
| Jacksonville | Ecuador | 186,000 | 186,100 |
| Tampa | Ecuador | 359,300 | 407,400 |
| TOTAL | | 545,300 | 635,500 |
| | | .99% | 1.2% |
| **Southern Banana Corp.** | | | |
| Brownsville | Mexico | - | 4,800 |
| Galveston | Ecuador | 462,700 | 586,300 |
| Jacksonville | Ecuador | 31,850 | 33,500 |
| TOTAL | | 494,550 | 624,600 |
| | | .9% | 1.2% |
| **Banana Supply Company** | | | |
| Brownsville | Mexico | 400 | - |
| Miami | Ecuador | 467,600 | 467,600 |
| Miami | Haiti | - | 7,000 |
| TOTAL | | 468,000 | 474,600 |
| | | .9% | .9% |
| **Tropicana Importing Corp.** | | | |
| Miami | Sp. Honduras | 1,400 | - |
| Tampa | Ecuador | 318,600 | 360,500 |
| TOTAL | | 320,000 | 360,500 |
| | | .6% | .7% |
| **United Foods, Inc.** | | | |
| **(Formerly Pan Am Foods Inc.)** | | | |
| Brownsville | Mexico | 273,300 | 154,700 |
| | | .5% | .3% |

PX 1115

7564

Roddy Co. 5-3 compilation

AD-145



| PORT | FROM | PERIOD DECEMBER 1964 | PERIOD DECEMBER 1963 |
|---|---|---|---|
| Tampa Banana Co. | | | |
| Miami | Sp. Honduras | 2,400 | - |
| Tampa | Ecuador | 64,900 | - |
| Tampa | Mexico | 600 | - |
| Tampa | Sp. Honduras | 59,100 | - |
| TOTAL | | 127,000 | - |
| | | .2% | - |
| Prevor, Mayrsohn Int. Inc. | | | |
| New York | Ecuador | 74,700 | 208,500 |
| Baltimore | Ecuador | - | 1,000 |
| Norfolk | Dominican Republic | 4,800 | - |
| Tampa | Ecuador | - | 129,600 |
| TOTAL | | 79,500 | 339,100 |
| | | .1% | .7% |
| Pan American Banana Co. | | | |
| Brownsville | Mexico | - | 24,900 |
| | | - | .05% |
| Sunrise Banana Co. | | | |
| Savannah | Guadeloupe | - | 900 |
| | | - | .002% |
| Tropic Cold Impt. | | | |
| New York | Dominican Republic | 1,200 | - |
| | | .002% | - |
| Levatino Fruit Co. | | | |
| New York | Ecuador | 159,650 | - |
| | | .3% | - |
| Port Industries, Inc. | | | |
| Brownsville | Mexico | 181,900 | 137,900 |
| Laredo | Mexico | 26,700 | 28,700 |
| TOTAL | | 208,600 | 166,600 |
| | | .4% | .3% |
| Banana Distg. Co. | | | |
| Jacksonville | Ecuador | 62,000 | 71,300 |
| | | .1% | .1% |
| Banana Empire, Inc. | | | |
| Tampa | Ecuador | 6,600 | - |
| | | .01% | - |
| Banana Sales Co. | | | |
| Brownsville | Mexico | 12,900 | 19,300 |
| Laredo | Mexico | 39,500 | 66,600 |
| TOTAL | | 52,400 | 85,900 |
| | | .1% | .2% |
| Arthur Schwartz | | | |
| Tampa | Ecuador | 15,000 | 1,700 |
| | | .03% | .003% |

PX 1115 7574 -4- Dompeli AD.-146

| PORT | FROM | PERIOD DECEMBER 1964 | PERIOD DECEMBER 1963 |
|---|---|---|---|
| Exportador Bananera Noboa | | | |
| Jacksonville | Ecuador | 29,150 | 27,200 |
| | | .05% | .05% |
| Southern Shipping Corp. | | | |
| Tampa | Nicaragua | - | 7,200 |
| Tampa | Sp. Honduras | 3,600 | - |
| TOTAL | | 3,600 | 7,200 |
| | | .007% | .01% |
| Max Gerrick | | | |
| Brownsville | Mexico | - | 9,000 |
| | | - | .02% |
| Independent | | | |
| Brownsville | Mexico | 15,300 | - |
| | | .03% | - |
| Unknown | | | |
| Miami | Jamaica | 5,000 | - |
| | | .01% | - |
| D'Asti | | | |
| Miami | Colombia | - | 6,400 |
| Tampa | Colombia | - | 3,700 |
| TOTAL | | - | 10,100 |
| | | - | .02% |
| General Grubbs | | | |
| Laredo | Mexico | - | 4,200 |
| | | - | .01% |
| Banana Town | | | |
| Miami | Dominican Republic | - | 3,000 |
| Miami | Haiti | - | 10,900 |
| TOTAL | | - | 13,900 |
| | | - | .03% |
| Alabama Fruit & Produce Co. | | | |
| Miami | Sp. Honduras | - | 800 |
| Mobile | Br. Honduras | 1,300 | 30,600 |
| Mobile | Sp. Honduras | - | 7,400 |
| Tampa | Br. Honduras | 1,600 | - |
| TOTAL | | 2,900 | 38,800 |
| | | .01% | .07% |
| Hamilton Brothers, Inc. | | | |
| Tampa | Br. Honduras | - | 600 |
| Tampa | Guatemala | - | 900 |
| Tampa | Nicaragua | - | 2,200 |
| Tampa | Sp. Honduras | - | 2,000 |
| TOTAL | | - | 5,700 |
| | | - | .01% |
| Eric Rath | | | |
| Laredo | Mexico | - | 1,100 |
| | | - | .002% |

PX 1115

758A - 5 -

Rorldy CD.5.5 Competitive AD-147

| PORT | FROM | PERIOD DECEMBER 1964 | PERIOD DECEMBER 1963 |
|---|---|---|---|
| Gulf Southern Corp. | | | |
| Tampa | Nicaragua | - | 5,600 |
| | | - | .01% |
| Shipments to El Paso | | | |
| Alex Alvarez | | - | 4,100 |
| Colima Banana Co. | | 13,100 | 27,100 |
| Dipp & Co. | | 1,400 | 4,800 |
| Mike Dipp Produce Co. | | 31,000 | 35,500 |
| Hobbs Banana Co. | | - | 400 |
| Frank Hobbs | | - | 2,700 |
| Rotalanti Brokerage Co. | | 10,300 | 8,400 |
| World Wide Shippers Inc. | | - | 17,800 |
| TOTAL | | 55,800 | 100,800 |
| | | .1% | .2% |
| COMPETITORS TOTAL | | 29,400,900 | 26,646,300 |
| | | 53.6% | 51.2% |
| TOTAL UNITED FRUIT CO. | | 25,467,162 | 25,389,157 |
| | | 46.4% | 48.8% |
| GRAND TOTAL | | 54,868,062 | 52,035,457 |

United Fruit Co. - Fruit shipped from tropics
Competitors - Fruit discharged U.S. port
Percentages = Percent to Grand Total

Confidential. Prepared at the request of counsel for use in connection with compliance with the judgment entered in the United States District Court for the Eastern District of Louisiana — United States of America v. United Fruit Company, C.A. No. 4560.

PX 11277 Ad

RECEIVED
OCT 1 1964
J. H. RODDY

759A

Confidential. Prepared at the request of counsel for use in connection with compliance with Judgment entered in the United States District Court for the Eastern District of Louisiana — United States of America v. United Fruit Company. C.A. No. 4560.

MEMORANDUM

September 30, 1964

Mr. J. H. Roddy:

The data relating to Armuelles division requested in your memorandum of July 10, 1964, is attached. When appropriate, we have added comments that we felt would be of interest.

Exhibit No. 1 Detail of U. S. and Canada dollar sales, stems, weight and sales price per 100 pounds by West, East, South and Total.

The years 1962 and 1963 include both stem and box fruit as per footnotes to this exhibit.

Average sales prices include charges made for stringing and bagging where they were recorded as sales in our accounts.

It will be noted that dollar sales per this statement for a few years do not agree with total banana receipts shown on Exhibit No. 2. The differences are largely sales of fruit in Europe per Exhibit No. 3 attached.

Exhibit No. 2 Data on consolidated banana receipts, costs and profit plus other profit to show total profit before taxes, taxes, and profit after taxes.

The banana profit does not include the Revaluation Reserve credited to Chiriqui in our accounts. Attention is called to this and other footnotes shown on this exhibit.

While we have shown a tax figure on our statement we did so only because of your insistence that a figure be shown. Computation is covered by Exhibit No. 4 attached. It shows, for example, in 1963 that we arrived at the tax figure by projecting the total consolidated Chiriqui 1963 profit into two taxable categories: (1) the Western Hemisphere bracket, which in 1963 represents 60 per cent of the U. S. profit on bananas plus 100 per cent of profit on sales to Canada and Europe and (2) the "Other Corporations" bracket which includes all other profit.

Taxes on these categories were figured at 38 per cent and 54 per cent respectively, the rates prevailing in 1963. Each year back to 1952 was similarly computed changing proportions and rate of taxes prevailing for each of the years as required. As agreed, no taxes have been computed on years prior to 1952.

Exhibit No. 3 Reconciliation of Dollar Sales per Exhibit No. 1 with Exhibit No. 2.

Exhibit No. 4 Computation of Taxes.

PX 1127

760A



Exhibit No. 5 Includes the following:

Data on Company acres
Data on Company stems shut out and uncut, lost by storm and flood, and stems shipped
Data on purchased stems shipped and accepted purchased stems lost
Value of fixed assets and material
Capital expenditures
Loans to planters
Average weight per stem
Tropical cost per 100 pounds shipped

The tropical cost per 100 pounds shipped does not include the revaluation reserve credited to Chiriqui operations in our accounts.

Acreage data for Associate Producers is available for the years 1962 and 1963 only and is shown at bottom of Exhibit No. 5.

In the years when Laurel District was a component of Chiriqui Land Company, data for fruit from this district has been included in our figures.

The sales history of boxed bananas by divisions, requested in your memorandum of July 17, 1964, has already been furnished.

W. B. Mason

W. B. Mason

Attachments

cc: Mr. A. E. Carpenter

Exhibit #1

760 A-1

PX 1127

## U.S. & CANADA BANANA SALES - ARMUELLES FRUIT
YEARS 1929 - 1963
(Thousands)

| | EAST | | | | SOUTH | | | | WEST | | | | TOTAL | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sales | No.of Stems | Weight | Sales Price Per Cwt. | Sales | No.of Stems | Weight | Sales Price Per Cwt. | Sales | No.of Stems | Weight | Sales Price Per Cwt. | Sales | No.of Stems | Weight | Sales Price Per Cwt. |
| 1929 | | | | | | | | | $ 523 | 271 | 15,821 | $3.31 | $ 523 | 271 | 15,821 | $3.31 |
| 1930 | | | | | | | | | 2,422 | 1,458 | 82,622 | 2.93 | 2,422 | 1,458 | 82,622 | 2.93 |
| 1931 | | | | | $ 408 | 281 | 17,558 | $2.32 | 2,914 | 2,198 | 125,881 | 2.32 | 3,322 | 2,479 | 143,439 | 2.32 |
| 1932 | | | | | 129 | 123 | 7,613 | 1.70 | 3,437 | 2,446 | 156,028 | 2.20 | 3,566 | 2,569 | 163,641 | 2.18 |
| 1933 | $ 783 | 507 | 27,473 | $2.85 | 184 | 102 | 5,888 | 3.12 | 3,135 | 2,013 | 125,307 | 2.50 | 4,102 | 2,622 | 158,668 | 2.59 |
| 1934 | 73 | 44 | 2,652 | 2.74 | 645 | 536 | 33,627 | 1.92 | 3,774 | 2,639 | 164,525 | 2.29 | 4,492 | 3,219 | 200,804 | 2.24 |
| 1935 | 1,875 | 1,021 | 76,632 | 2.45 | 597 | 364 | 24,470 | 2.44 | 4,206 | 2,403 | 158,038 | 2.66 | 6,678 | 3,788 | 259,140 | 2.58 |
| 1936 | 671 | 394 | 30,848 | 2.18 | 847 | 538 | 36,461 | 2.32 | 4,251 | 2,758 | 162,109 | 2.62 | 5,769 | 3,690 | 229,418 | 2.51 |
| 1937 | - | - | - | - | 820 | 619 | 40,305 | 2.03 | 5,007 | 2,814 | 172,847 | 2.90 | 5,827 | 3,433 | 213,152 | 2.73 |
| 1938 | 1,244 | 800 | 50,956 | 2.44 | 1,016 | 802 | 50,842 | 2.00 | 5,097 | 2,939 | 183,611 | 2.78 | 7,357 | 4,541 | 285,409 | 2.58 |
| 1939 | 97 | 62 | 4,147 | 2.34 | 461 | 255 | 17,877 | 2.58 | 5,896 | 3,232 | 203,222 | 2.90 | 6,454 | 3,549 | 225,246 | 2.87 |
| 1940 | 49 | 24 | 1,833 | 2.62 | 2,179 | 1,109 | 88,769 | 2.46 | 6,032 | 2,826 | 201,776 | 2.99 | 8,260 | 3,959 | 292,428 | 2.82 |
| 1941 | 1,545 | 667 | 49,079 | 3.15 | 926 | 409 | 32,153 | 2.88 | 7,641 | 2,984 | 204,123 | 3.74 | 10,112 | 4,060 | 285,355 | 3.54 |
| 1942 | 481 | 133 | 10,912 | 4.41 | 216 | 72 | 5,856 | 3.69 | 5,855 | 1,569 | 126,826 | 4.62 | 6,552 | 1,774 | 143,594 | 4.56 |
| 1943 | - | - | - | - | 561 | 151 | 10,232 | 5.48 | 2,821 | 795 | 52,640 | 5.36 | 3,382 | 946 | 62,872 | 5.28 |
| 1944 | - | - | - | - | 3,678 | 1,042 | 74,456 | 4.94 | 129 | 36 | 2,591 | 4.96 | 3,807 | 1,078 | 77,047 | 4.94 |
| 1945 | - | - | - | - | 6,475 | 2,131 | 144,280 | 4.49 | 98 | 36 | 2,548 | 3.85 | 6,573 | 2,167 | 146,828 | 4.48 |
| 1946 | 736 | 203 | 14,646 | 5.02 | 12,984 | 4,002 | 274,732 | 4.73 | - | - | - | - | 13,720 | 4,205 | 289,378 | 4.74 |
| 1947 | - | - | - | - | 12,687 | 3,105 | 229,899 | 5.52 | 599 | 122 | 9,054 | 6.61 | 13,286 | 3,227 | 238,953 | 5.56 |
| 1948 | 12,908 | 2,558 | 191,364 | 6.75 | 13,044 | 2,917 | 220,368 | 5.92 | 117 | 26 | 1,716 | 6.80 | 26,069 | 5,501 | 413,448 | 6.31 |
| 1949 | 24,421 | 4,279 | 338,767 | 7.21 | 3,807 | 728 | 57,389 | 6.63 | 5,014 | 782 | 61,223 | 8.19 | 33,242 | 5,789 | 457,379 | 7.27 |
| 1950 | 25,727 | 4,107 | 350,022 | 7.35 | 1,950 | 335 | 28,205 | 6.91 | 8,150 | 1,168 | 100,876 | 8.08 | 35,827 | 5,610 | 479,103 | 7.48 |
| 1951 | 2,743 | 423 | 37,554 | 7.30 | 10,610 | 1,786 | 154,081 | 6.89 | 24,238 | 3,442 | 295,958 | 8.19 | 37,591 | 5,651 | 487,593 | 7.71 |
| 1952 | 9,870 | 1,630 | 140,573 | 7.02 | 5,395 | 934 | 82,092 | 6.57 | 14,526 | 2,177 | 176,412 | 8.23 | 29,791 | 4,741 | 399,077 | 7.47 |
| 1953 | 15,322 | 2,345 | 207,143 | 7.40 | 5,960 | 943 | 83,852 | 7.11 | 16,679 | 2,354 | 207,990 | 8.02 | 37,961 | 5,642 | 498,985 | 7.61 |
| 1954 | 15,689 | 2,255 | 209,380 | 7.49 | 11,081 | 1,628 | 151,408 | 7.32 | 19,016 | 2,436 | 224,242 | 8.48 | 45,786 | 6,319 | 585,030 | 7.83 |
| 1955 | 21,982 | 3,249 | 292,416 | 7.52 | 12,995 | 1,882 | 169,875 | 7.65 | 12,041 | 1,473 | 137,061 | 8.79 | 47,018 | 6,604 | 599,352 | 7.84 |
| 1956 | 18,117 | 2,840 | 247,257 | 7.33 | 6,858 | 1,157 | 99,735 | 6.88 | 12,387 | 1,769 | 147,636 | 8.39 | 37,362 | 5,766 | 494,628 | 7.55 |
| 1957 | 18,595 | 3,078 | 253,136 | 7.35 | 6,124 | 1,042 | 86,924 | 7.05 | 21,957 | 3,175 | 253,912 | 8.65 | 46,676 | 7,295 | 593,972 | 7.86 |
| 1958 | 21,441 | 3,785 | 315,260 | 6.80 | 8,511 | 1,508 | 126,988 | 6.70 | 13,646 | 2,099 | 158,007 | 8.64 | 43,598 | 7,392 | 600,255 | 7.26 |
| 1959 | 29,424 | 5,356 | 421,439 | 6.98 | 4,767 | 878 | 69,564 | 6.85 | 7,058 | 1,102 | 85,867 | 8.22 | 41,249 | 7,336 | 576,870 | 7.15 |
| 1960 | 18,292 | 4,082 | 325,296 | 5.62 | 4,150 | 916 | 72,872 | 5.70 | 15,030 | 2,729 | 217,859 | 6.90 | 37,472 | 7,727 | 616,027 | 6.08 |
| 1961 | 20,[illegible] | 4,268 | 349,127 | 5.93 | 2,550 | 617 | 48,350 | 5.28 | 7,257 | 1,445 | 112,820 | 6.43 | 30,510 | 6,330 | 510,297 | 5.98 |
| 1962 | 17,529 | 3,131 | 284,843 | 6.18 | 1,685 | 333 | 30,603 | 5.50 | 6,818 | 1,137 | 100,291 | 6.80 | 26,100 | 4,601 | 415,743 | 6.28 |
| 1963 | 12,858 | 2,191 | 181,003 | 7.10 | 8,629 | 1,629 | 120,720 | 7.15 | 11,479 | 1,954 | 163,808 | 7.01 | 32,966 | 5,774 | 465,231 | 7.08 |

NOTE: 1962 includes 4,000 boxes of fruit sold.
1963 " 4,219,000 " " " "

PK 1132 MAR 6 - 1974
PLANTATION 761A



AVERAGE ACRES IN BEARING
(Thousands)

| Divisions | 1963 Latest Estimate | 1963 Original Estimate | 1962 | 1961 | 1960 | 1959 |
|---|---|---|---|---|---|---|
| **Colombia** | | | | | | |
| Company | - | - | - | 1.1 | 7.0 | 6.9 |
| Associate Producers | 26.8 | 26.8 | 30.1 | 31.6 | 28.2 | 28.8 |
| Total | 26.8 | 26.8 | 30.1 | 32.7 | 35.2 | 35.7 |
| **Costa Rica-Golfito** | | | | | | |
| Company | 25.3 | 25.3 | 24.1 | 24.1 | 17.6 | 17.9 |
| Associate Producers | 1.2 | 1.2 | 1.6 | 1.7 | 2.1 | 2.8 |
| Total | 26.5 | 26.5 | 25.7 | 25.8 | 19.7 | 20.7 |
| **Dominican Republic** | | | | | | |
| Company | - | - | .7 | .8 | .5 | 1.5 |
| Associate Producers | 15.9 | 17.3 | 17.0 | 16.9 | 12.8 | 7.5 |
| Total | 15.9 | 17.3 | 17.7 | 17.7 | 13.3 | 9.0 |
| **Ecuador** | | | | | | |
| Company | - | - | - | - | 2.9 | 6.4 |
| Associate Producers | - | 2.5 | 3.2 | 5.7 | 1.4 | - |
| Total | - | 2.5 | 3.2 | 5.7 | 4.3 | 6.4 |
| **Guatemala East** | | | | | | |
| Company | 8.4 | 8.9 | 8.5 | 7.3 | 5.9 | 4.1 |
| **Guatemala West** | | | | | | |
| Company | 13.6 | 13.6 | 14.3 | 16.5 | 18.7 | 19.5 |
| Associate Producers | .3 | .3 | .3 | .6 | 2.0 | 3.1 |
| Total | 13.9 | 13.9 | 14.6 | 17.1 | 20.7 | 22.6 |
| **Honduras** | | | | | | |
| Company | 12.8 | 13.7 | 16.7 | 22.0 | 24.4 | 26.0 |
| Associate Producers | 7.5 | 7.6 | 8.2 | 8.1 | 5.6 | 4.9 |
| Total | 20.3 | 21.3 | 24.9 | 30.1 | 30.0 | 30.9 |
| **Panama-Armuelles** | | | | | | |
| Company | 24.8 | 25.3 | 24.7 | 23.9 | 28.7 | 28.9 |
| Associate Producers | 1.7 | 1.8 | - | - | - | - |
| Total | 26.5 | 27.1 | 24.7 | 23.9 | 28.7 | 28.9 |
| **Panama-Bocas** | | | | | | |
| Company | 4.5 | 4.6 | 4.7 | 3.6 | 3.7 | 3.9 |
| Associate Producers | .2 | - | - | - | - | - |
| Total | 4.7 | 4.6 | 4.7 | 3.6 | 3.7 | 3.9 |
| **Total** | | | | | | |
| Company | 89.4 | 91.4 | 93.7 | 99.3 | 109.4 | 115.1 |
| Associate Producers | 53.6 | 57.5 | 60.4 | 64.6 | 52.1 | 47.1 |
| Total | 143.0 | 148.9 | 154.1 | 163.9 | 161.5 | 162.2 |

Comptroller's Office
June 12, 1963

PX 1208 PLAINTIFF'S
MAR 6 - 1974
762A MEMORANDUM

P-5.2
X D.-H. Hand
X P.-S.-T.

June 20, 1963

Mr. R. O. Miller:

As a result of the discussions held on June 13th and 14th regarding our future operations in Honduras, you should arrange to submit promptly plans and recommendations for increasing the Valery cultivations in Honduras to approximately 30,000 acres. It is my understanding that present analysis indicates the profitability of planting approximately 20,000 acres to be Company operated and 10,000 acres of Associate Producer cultivations, with planting to be completed not later than 1965. Please send me a written analysis of the cost projections and delivered costs in the U.S.A., contrasted with Armuelles and Ecuador, which confirm the oral discussion in our meeting.

As regards funds for immediate requirements in this connection, the approved 1963 Capital Appropriation Budget contained authorization for the expenditure of $2,082,600 for the planting of 7,300 acres of Valerys by the Company and $87,400 for Company expenditures pertaining to a 200 acre Associate Producer Development. These particular funds are hereby released in order that the planting program may proceed in an orderly manner. Please coordinate this with the budget department in advance so that we have a proper record identifying the released funds.

Insofar as the balance of the unreleased approved 1963 Capital Appropriations Budget is concerned, you should submit your recommendations for release of these funds in the usual manner and as soon as reasonably possible.

It is my understanding that funds will also be required in 1963 for preparatory work on acreage scheduled for planting in 1964 and you should submit requests for these funds as soon as the necessary information is assembled.

The matter of surplus lands was also discussed and you should submit your recommendations promptly for (1) exchanging lands which we do not require for lands on which we wish to acquire title or suitable leases (La Fragua area, etc.), (2) liquidation of the Bogran lease, (3) donation of certain land rights in the Cuyamapa Valley to FHA, and (4) making land available in Tela for a private housing development by the Union. A full written statement of facts, figures and reasons should be included.

With regard to housing, you should -- to the maximum extent possible -- extend the principle of private housing, particularly in the Corton and Progreso areas, and submit recommendations to this effect.

The matter of our relations with the Honduras Government has been brought into focus recently and, as mentioned in the discussions, you should arrange for the Manager in Honduras to amplify and improve our relations with officials of the Honduras Government. This is a continuing

PX 1208 763A



and constant assignment and you should ask our Manager to make a monthly report on action taken in this area. Please send a copy of this report to Mr. Fox and to me each month.

Serious consideration should be given to the possibility of establishing an integrated production unit for the extraction and processing of palm oil, and a system for distribution of the finished products. Recommendations for these items and expansion of the acreage in cultivation should be submitted as soon as reasonably possible.

Livestock operations should play an important part in future operations in Honduras and it is now thought that FRUSA will handle most of this activity using pastures leased from the Tela Railroad Company. You should arrange to submit recommendations regarding the organization of livestock activities, leasing of pastures, etc., at your early convenience. It was agreed that the possibilities of a "baby beef" development would be studied and that, in the meantime, experimental fattening programs will be carried on in both Quepos and Honduras.

Thomas E. Sunderland

cc: Mr. J. M. Fox
Mr. V. C. Folsom
Mr. A. E. Carpenter
Mr. J. R. Herbig

764A

[RETYPE OF PX 1287]

MAR 6 - 1974

MEMORANDUM

August 2, 1962

Mr. J. M. Fox:
Mr. R. O. Miller:
Mr. V.C. Folsom:

Re: Santa Marta and Turbo

With the possible development of Honduras and Guatemala East for large-scale variety banana production and with Turbo coming along faster than was recently thought possible, we are confronted with the probability of too much banana production in the reasonably near future.

Obviously, we will cut down our open-market purchase in Ecuador when we produce all we need in our own divisions, but it looks as though we would still have too much production. The purpose of this memorandum is to raise the question as to whether or not Santa Marta is a candidate for eventual closing, and if so, whether we should not now plan on how to phase out the Santa Marta operation as the Turbo operation increases. Of course, this would make Santa Marta production available to be sold in competition with our fruit in Europe, but if the Turbo quality lives up to expectations, we should have the best fruit available for the European market from Turbo and should not be apprehensive about our ability to meet competition. However, there are many complex aspects to this problem, but I think we should start thinking about the matter and ought to have at least a tentative conclusion before our September Board meeting when we will be discussing long-range production plans.

It would be appreciated if Mr. Fox or Mr. Miller would give me a brief memorandum on this on or before September 15.

Thomas E. Sunderland

TES/eb

PX 1328 Plaintiff's 765A
MAR 6 1974

8-2.6

December 1, 1964

TO: Mr. Cale D. Wallace

SUBJECT: Annual Report Theme

Have just read Mr. Cornuelle's memorandum to you dated November 25 in which he recommends that the theme of our Report this year be "Determination."

I subscribe to this suggestion, but would add one additional caveat. This is that we deliberately remove all emphasis upon weather--drought, blowdowns, and other weather phenomena--as the source of our poor earnings, and treat but lightly on the effect of the Panama strike. It is my feeling that these problems are chronic and will always be with the banana business, and one of our determinations should be to find a way to operate this business taking them into account. I sense that the stockholders in general are weary of hearing this story.

I further suggest that we eliminate all mention of diversification. Until we have something positive and substantial to report from this area, I think we should keep quiet on the subject.

John M. Fox

cc: Messrs. T. E. Sunderland
H. C. Cornuelle
A. E. Carpenter
D. D. McConkey

PX 1329, p. 14 766A



RESEARCH

Item No.

3.(Cont'd) We are continuing our research on Fusarium wilt because the possibility always exists of new strains developing which will attack varieties now resistant to the disease. And by a better understanding of the disease the possibility still exists of some day finding an economic control method. Emphasis in this research area is, however, considerably reduced from what it was in prior years and most field studies have been brought to logical conclusions.

4. Are there any new disease or insect problems in our banana farms?

Probably the most serious new problem is the discovery that Moko disease (bacterial wilt) of bananas can be spread by insects from the Chato plantain to bananas and subsequently from banana to banana by the same insects. Previously, spread of the disease was by pruning machetes or by infested soil; and we were able to keep it in check by routine disinfection of machetes combined with destruction of infected plants. Now we are faced with an entirely new problem. It is comforting to know, however, that our research staff detected this new problem at the earliest possible stage and effective control measures are already developed and in practice.

We have also had some localized outbreaks of virus disease in bananas, but these are being successfully held in check. An intensive new research effort is directed toward developing survey methods for earlier detection of virus disease and fundamental studies on how it is transmitted from plant to plant.

We have only recently recognized that nematodes, microscopic worms which attack the roots and rhizomes of banana plants, may pose a threat to banana production in some areas where we operate. Nematodes are reported to be a serious problem on many crops--oranges, pineapples, sugar cane, potatoes, etc.--but until now we had been spared this problem on bananas. Once again our research staff was on the ground in anticipation of this new threat and agricultural operations are already putting into practice their recommendations on procedures for disinfection of planting material and elimination of this pest from the soil.

One of the most effective ways in which we are meeting these new problems and recognizing them sooner is by the expansion of our research extension staff. These are men drawn from both research and agriculture who travel extensively in our operating divisions providing prompt and effective assistance to agriculture. Extension work is essential to implementing research recommendations as rapidly as possible on a commerical scale. It insures closer contact between research and agricultural personnel and helps to keep our scientific staff constantly alert to needs for new or intensified research studies.

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UNITED FRUIT COMPANY
PRESIDENT'S CONFERENCE
BOSTON, MASSACHUSETTS
NOVEMBER 29, 1963

Stenotype Institute
80 Boylston Street
Boston, Mass.
Reporter assigned:
Walter T. Leavitt

PX 1363

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1203(A) 1

Proceedings of conference held in the President's office of the United Fruit Company, 30 St. James Avenue, Boston, Massachusetts, on Friday, November 29, 1963, at 3:30 P. M., President T. E. Sunderland presiding.

Present: Mr. Sunderland, Mr. Fox, Mr. Howard, Mr. Hawkins, Mr. Miller, Mr. Friedlander, Mr. Staff, Mr. Shalom.

PRESIDENT SUNDERLAND: What can we do for you, Mr. Staff?

MR. STAFF: Well, I think I would prefer to let Jack talk because this is his problem and in light of events Stephen wanted me to come along so I said all right.

MR. SHALOM: You know we have started an operation in the Dominican Republic and I dare say we have had more than our share of problems but we are undaunted and we intend to continue. We were led to believe that you may be considering the closing down of that operation and there may be some assets for sale which we thought we would explore with you. We really have nothing specific in mind. We thought we could get some idea of what, if what we hear is true, what is available and discuss it, if there is anything that could be of mutual interest to explore.

PX1363

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1203(B)2

PRESIDENT SUNDERLAND: Well, we offered to sell you some port facilities. Are you interested in talking about port facilities and the sale of those because that is a tangible piece of property. We are not contemplating at the moment of cutting down our banana operation. We are not pulling out of our banana operation but if you are interested in port facilities --

MR. SHALOM: We wish we could afford it.

PRESIDENT SUNDERLAND: You are going to invest many millions of dollars in Dominican operations, so we are told, and maybe you need this.

MR. SHALOM: The Dominican operation will require quite a bit. I saw the facilities a few weeks ago and I am sure it is much too rich for us. We thought you might be closing down part of that operation and with the widespread pandemonium that has been spreading recently, with the recent floods there, I am led to believe that you will not plan to meet that on the island, possibly with the United States or export to Europe, but that you have a media mata farm that might be available. I should preface that we would not be interested ourselves in owning or operating a farm. We have steered clear of that in any of our operations in the Dominican. We would turn

over to a Dominican farmer or organization.

MR. FOX: You fellows are enthusiastic about media mata?

MR. SHALOM: I can't say that. There are a lot of uncertainties in the Dominican Republic. We think there is something there and we are going to work at it but we are going to be cautious.

PRESIDENT SUNDERLAND: Suppose you be specific about what particular things. You say that you are not going to buy farms. I am not sure that we find many down there any more anyway. What particular things are you interested in buying?

MR. SHALOM: Jack, do you have any more definite ideas on those farms? We have passed through one.

MR. MILLER: You are talking about the media mata farms? We do own those.

MR. FOX: That is very modest [illegible]

MR. MILLER: About 1600 acres, [illegible] remember.

MR. FRIEDLANDER: Basically you are producing on these two farms your Cavendish for your [illegible]ree.

MR. MILLER: That's right.

MR. FRIEDLANDER: It was our feeling since you were cutting down on your operations, we may be wrong,

that we might be able to work out some kind of operation with you for the operation of these farms, working the farms technically and productively through some of the farmers in the Dominican Republic with the basic revenue going to the United Fruit. I pointed out to Mr. Staff and Mr. Shalom that I believe you needed this production for your puree plant.

MR. MILLER: We do, yes.

MR. FRIEDLANDER: And the possibility exists, again we don't know, we are just exploring, that perhaps there may be more production available for these farms than your puree plant will absorb.

MR. MILLER: Not now, not at the present time, I don't think. I think we use the most of it.

PRESIDENT SUNDERLAND: Substantially speaking, we are using all we are producing there.

MR. FOX: In fact, you tailored the farm operation to the puree plant.

MR. FRIEDLANDER: Then the thought came to me that perhaps since you don't need basic quality for the puree plant and since we are producing on the island through producers that we might work out some kind of arrangement where we would take the better media mata for

import or export, rather, from the Dominican Republic and use collectively the worst of the Cavendish or medium Lacatan for the puree plant.

MR. SHALOM: Jointly actually we might be in a position to purchase the production on your media mata farm.

MR. FRIEDLANDER: One of the farms I saw them cut this fruit up and ship in crates.

MR. MILLER: That's right, that is what we are doing.

MR. FRIEDLANDER: In my opinion a lot of this fruit is equal to some of the Cavendish.

MR. MILLER: That's right.

MR. FRIEDLANDER: We could reduce your cost of raw material for the puree plant by giving you the worst of the bananas, which certainly quality is not a problem for puree as far as banana scouring or any of the other problems you come up with.

MR. FOX: It is not quite that simple, Jack. We found, I think, correct me if I am wrong, but we found you couldn't really use reject fruit for puree because bruised fruit had to either be cut out by labor and thus increase the cost for the puree or if it were not cut out

you affected the quality of the puree.

MR. FRIEDLANDER: What I was talking was not bruised but short fingered fruit, something that doesn't affect the pulp. I realize you have to have a white pulp in the puree.

MR. FOX: What you are saying is creaming the amount for fresh and the rest for puree.

PRESIDENT SUNDERLAND: If there is a way by which we can get an improved value for our better quality media mata than putting in a can and maintain our canning operation by buying a cheaper grade of fruit we are very much interested in hearing about it. We have to look at it carefully to make sure we haven't doubled up on our labor problem or transportation problem or some darn thing along the fringes of the whole operation.

MR. FRIEDLANDER: You summarize it in a nutshell, Mr. Sunderland.

MR. FOX: How much do you estimate you would have available from your operation?

MR. FRIEDLANDER: Right now we have in the Dominican Republic, as Mr. Shalom pointed out we have proceeded very carefully in this operation, we hope to get on a ship a week in the neighborhood of 50,000 boxes. From our

PX 1363 774A



experience with boxing bananas, and believe me our experience is very limited, we believe the shrink factor or what cannot be boxed is almost as much as you put in a box of bananas which I think are suitable for puree but not for export quality. So that if we had to obtain that volume, let's assume that 50,000 boxes and let's assume that we were working from your existing farms and our farms produce 50,000 box volume, 50,000 boxes more or less, 2½ million pounds of bananas per week. I would say you would have 1½ million to 2 million pounds of puree bananas available.

MR. SHALOM: You mean exportable bananas.

MR. FRIEDLANDER: You would have 2½ million exportable bananas for 50,000 boxes, with your packing 44 pounds of bananas in the box.

MR. SHALOM: This is if we were to load an ideal first quality box which is something we would naturally want to look forward to doing.

MR. FRIEDLANDER: From the prices we see in the market we just don'tthink it is feasible to ship these small fingered rejects into the market because by the time you get through on the market you don't get anything for the bananas. You are paying the ship and stevedores and

PX 1363 775A

1203(6)
8

coming up with nothing for the bananas.

PRESIDENT SUNDERLAND: Well, if you would like to put together a proposal to deliver to us the kind of bananas that will be adequate and satisfactory for our canning operation and show us a profit on selling our media mats we cream off what we produce ourselves, certainly we would be glad to look at it.

MR. SHALOM: Mr. Sunderland, you would cream off our farm production towards us and we would do the same with our rejects. It would be a two way program that we would sell to you for your puree plant.

PRESIDENT SUNDERLAND: My point is before we would like to take the cream of our production and sell it elsewhere we would like to know two things: first, that we were making more than putting in our own cans, we were stepping up economically in value the cream of our production; plus knowing we have an adequate supply of bananas to replace that that we take from our own production; plus thirdly, a very careful look-see to make sure we are not inadvertently increasing our cost in a segment of this whole operation that is not apparent in the early stages. Now if those three elements can all be worked out I would like you to work out something along that line and

make a proposal and we will look at it.

MR. FRIEDLANDER: Let me call to your attention again there may be other measures affecting the cost production to you and I believe as your production goes down in the Dominican Republic it may be unfeasible for you to continue fumigation program, for example. Again I am just playing this by ear. Since we will require fumigation equipment facilities for the use of our own farms we may be able to fumigate on your Cavendish media mata farms which in turn would decrease your cost of production. So it may not be necessarily an increase of market value. It could come about by a decrease in operating cost.

MR. SHALOM: This would depend on how long you intend to continue down there. Needless to say we couldn't fumigate as cheaply as you could today. But in cutting back and maintaining for a year or two and the Panama disease takes its full effect in the Cavendish farm you have, at that point it might not pay you to keep a big organization and keep it going and work possibly to our mutual advantage.

PRESIDENT SUNDERLAND: I am always anxious to improve the economics of our operation. We are willing to hear about it and consider it very carefully.

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MR. FRIEDLANDER: Again considering the media mata problem there seems to be a division of opinion both in the Dominican Republic and also here. I spoke to Mr. Jones, your assistant, and mentioned that you would either like to sell or rent the puree facility at Manzanillo.

PRESIDENT SUNDERLAND: No, you asked for what kind of terms could be made. We are perfectly happy with the way things are. Now the request originally came from your side.

MR. SHALOM: Correct.

PRESIDENT SUNDERLAND: You wanted to get the use of those facilities.

MR. FRIEDLANDER: That is correct.

PRESIDENT SUNDERLAND: We are interested in hearing what proposal you have in mind.

MR. FRIEDLANDER: As far as we can understan there is a series of gazettes in the Dominican Republic which represent the agreement between Granada, your subsidiary, and the government of the Dominican Republic. According to the understanding of our people in Santiago and some of the other lawyers we have spoken to the agreement with the Dominican government provides that the facility in Manzanillo must be given to anyone interested in

the use of the facility. I believe that there is a list of surcharges that United Fruit or Granada can obtain by renting this facility to anyone who calls for the use of this facility.

MR. FOX: As a matter of contract, you believe?

MR. FRIEDLANDER: I saw it in Spanish and I am not a Spanish expert but that is what our Spanish speaking attorneys in the Dominican Republic tell us and that is the way it would appear to me according to the laws that are published.

PRESIDENT SUNDERLAND: Let me say that I don't think we need to spend time in this meeting arguing about that. We have been advised to the contrary but, be that as it may, if you have a proposal -- and I think we said this to you people in the Dominican Republic -- if you have a proposal, some kind of arrangement you would like to work out for the use of the facilities, if you are willing to pay a fair stipend for the use of those facilities, if it can be done in a way that will not interfere with our own operation, we will be very glad to talk about it. Now I assume --

MR. STAFF: Now I think that is very cooperative and very fine and that is one of the reasons we came up

here direct and talk about all this Mumbo Jumbo. Mr. Shalom suggested we approach the United Fruit and find a way. I think a way can be found and should be found for cooperation precisely as I tried to talk about when I was up before. This is the one industry that I know of that anyone goes out of the way to try to cooperate.

PRESIDENT SUNDERLAND: Cooperation I assume means a two-way street.

MR. STAFF: A two-way street.

MR. SHALOM: Absolutely. We are here only to talk about cooperation and mutual benefit in the Dominican Republic. Now you say for us to make a proposal for the use of your facilities. Let's say we are now making the request if possible and without interference with your operation for the use of it. I think it would be for you really to come up with what you think is a fair fee for the use of the facilities. We feel that the pier in itself, according to what we are told, should be made available to any shipper. Of course, going into the pier we will need the use of certain equipment and facilities you have there.

MR. MILLER: Would you want to use a railroad?

MR. SHALOM: No.

PX 1363

780A

1203(4)
13

PRESIDENT SUNDERLAND: Let me come back, if we can, to the basics. We didn't raise this question. We are very happy. We built these facilities with our own money for our own operations. It is not a regular schedule. Ships stop at irregular times. It is going to be difficult to work out schedules. I am not sure how happy anybody else is going to be because they will have difficulty in scheduling a regular loading. I assume that the person who built the facility is entitled to have first call on its use.

MR. SHALOM: There can be no question about it.

PRESIDENT SUNDERLAND: So I think there are practical problems. We are not looking for tenants or rent revenue or a purchaser, but if someone comes along that has a use they are willing to pay for and makes it look as if it were for our economic well-being to enter into that kind of an arrangement we will be very glad to consider it. I think the initiative has come from your side. I would like to see your proposal as to what you think is a fair basis for the use of it and we will come back with our comment to you as to what parts we think are workable, what parts we think are not workable, whether the price you have in mind is fair or otherwise, but I

think this is your proposal and I think it is one you ought to make.

MR. FOX: What you are saying, Tom, is we will be able to study and entertain any proposal you bring to us.

MR. FRIEDLANDER: You contemplate it would be a problem for, let's say, for us as a regular shipper to work around your schedule?

PRESIDENT SUNDERLAND: I just know ours is an irregular schedule and I know I don't want to get into a proposition where I have to keep one of our ships waiting while somebody else loads.

MR. STAFF: Of course not. The beauty of that pier, Mr. Sunderland, is it will take two ships on the one side. The Navy we saw had the other side.

MR. SHALOM: They are not always there permanently. Are they there permanently?

PRESIDENT SUNDERLAND: I have no way of knowing.

MR. SHALOM: The pier you could easily land two and possibly three or four ships at one time. But that is beside the point. There is no question but what you would have first preference and we would have to work ours around your schedule. There is no question of that. We

are also aware of the pattern of your loadings. They are irregular.

PRESIDENT SUNDERLAND: And will continue. This is a stopping off operation. How much load the ship puts on depends on how much load the ship puts on somewhere else. It would be difficult to know more than a day or two in advance when a ship would stop.

MR. FOX: And also the weather.

MR. STAFF: Do you have any ideas, Steve, on how this should be approached from the standpoint of use? Remember this, you won't have anything in quantity for a long time.

MR. SHALOM: Not until the end of next year. We were also damaged.

PRESIDENT SUNDERLAND: There is another thing and Mr. Miller started to get at it. We would like to know what facilities you are talking about in detail. There are rail facilities, pier facilities, all kinds of things. We would like to know if you contemplate an operation of your own with your own labor contract or whether you contemplate some kind of an operation where you operate under ours. I would think this latter would not be one that you would probably like but I don't know. We

haven't thought about it.

MR. SHALOM: We think it would be to our mutual advantage to operate under your present existing contract rather than play the two sides off against each other.

PRESIDENT SUNDERLAND: I just don't know. There are two sides to this. We like to maintain our own labor relations. We have certain ways we like to do it and query whether you have another person operating under your labor contract whether you messed up the operation.

MR. SHALOM: That is understandable.

PRESIDENT SUNDERLAND: I don't say we wouldn't consider that but we would like to know in considerable detail what you have in mind.

MR. FRIEDLANDER: Do you contemplate your operation of the railroad facilities?

PRESIDENT SUNDERLAND: I don't contemplate anything. I say you fellows have an idea and we would like to know what you have in mind. We are perfectly happy with the situation as it is. We are now out looking for customers but if somebody comes along with a proposition that is a reasonable one we will certainly consider it.

MR. FOX: I think we would also like to know, Tom, some ideas of quantities as they plan to schedule

them, what they want to build up and what the targets are.

PRESIDENT SUNDERLAND: Yes, we would like to know the amount of use over a period of time, what terms for an arrangement you would have, who we would be making these arrangements with, who would be guaranteeing the operation. There are a host of problems involved. We have all been through this kind of thing in negotiating a business deal and we would like to have you sit down and check over all the items as you see it and make us a proposal.

MR. STAFF: What does the timetable look like to you, Steve?

MR. SHALOM: Well, I think it is a little too early to comment and give anything specific. I think we have a clearer idea of what you require of us and we will have to give this further consideration. We were thinking actually, quite honestly, that you had a more specific idea of what you required in the way of the operation but since you want a proposal --

MR. FRIEDLANDER: We were rather groping in the dark as to what your feelings or attitudes were. If we had some specifics we could think about it.

MR. FOX: We have no formula either because we

PX 1363

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don't do this.

MR. SHALOM: I doubt if there are any pat formulas.

MR. FOX: It really points down to what it is worth to you for the use of that operation.

PRESIDENT SUNDERLAND: There are a lot of supporting things that go into the keeping of that facility running. We would expect you to keep in account what it costs us to keep that facility there.

MR. STAFF: It would be very hard to get any place because, as I saw those facilities, I would say you could handle millions and millions, ten times what you handle there. You have a facility there which is really beautiful, well laid out, and I think United at one time thought more of that particular area than it does today. It has very good reason to think that way based on what you are doing in other parts of the world. Based on what you have got there we don't have any hopes for getting any banana business or large facilities.

PRESIDENT SUNDERLAND: There are very few things certain in the banana situation and one thing is what you think is certain is not tomorrow.

MR. SHALOM: I couldn't agree with you more.

PX 1363

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PRESIDENT SUNDERLAND: We have had a number of divisions that we were very pessimistic about. We have hung on to them. Fortunately we did not sell any facilities. We have kept our docks and ships and railroads and whatnot and those facilities have come back. I don't know. By tomorrow the Dominican may look like the brightest spot in our picture. We have a big investment there. We don't want to compromise that investment in a way that we can't use it if the turn of the wheel brings increased production and so on to the Dominican Republic. So that is another reason why if left to our own devices we are perfectly happy. They have the facilities and the time may come when we would use all of it, I don't know. But if there was a time that we didn't use all of it and somebody would we would listen to your proposal. We might not like your proposal or accept it but we would give it careful thought.

MR. STAFF: I think the mutual cooperation should have been opened years ago. I mean both ways. I am not talking a one-way street. We are not asking anything from anybody. But from what we read about your company and the plans we think you are really on the right road, to be very, very frank, you are on the right road. You are aggressive and changing this business from an auction

business to a real merchandising business where it belongs in the produce industry. I don't think anybody in the buying end has any respect for the banana people. I am talking about the buyers of bananas from the imports. I don't think they have respect at all. They think it is the one item they don't give a hootenanny about. The same thing, I will tell you --

MR. SHALOM: That is another subject.

MR. STAFF: I don't see where you have to bring in 600 million pounds of bananas every year and give them away.

MR. SHALOM: That is another problem. This is really from left field but we have also heard that you are going to dispose of some of your facilities in Ecuador. We buy from an agent there and don't have a tropical operation there as in the Dominican Republic but if there is any equipment there, there is a possibility that our man might be interested, our agent. Again from left field that is something I have heard as a rumor in the trade during the last few weeks.

MR. FOX: It is a great business for rumors.

PRESIDENT SUNDERLAND: Most you hear are not true. Now in Ecuador, being no exception, we try to cut

our costs as we can, have someone operate for us rather than ourselves and when things like that come along we embrace them but we are not on a program of selling facilities or getting out of Ecuador or anything of the sort.

MR. STAFF: We at least tell you what we hear and this is what we hear.

PRESIDENT SUNDERLAND: You can hear all kinds of rumors.

MR. SHALOM: I think I have one last question if I may ask. Have you gone ahead any further on your plans in regard to sale of assets or spin off as required under the consent decree? I know it is still several years away but if in time those plans do progress if I could be given some consideration and a chance.

PRESIDENT SUNDERLAND: We will certainly be glad to consider all prospective bidders. I will say in advance that the chances are that it will be a spin off rather than a sale. There is at least one very obvious advantage and that is we don't have to worry about the valuation problem. You sell a banana division and what is it worth?

MR. SHALOM: Very, very difficult.

PRESIDENT SUNDERLAND: One thing I would like to

PX 1363 789A

avoid is a minority stockholder's suit on whether we sold at the right value. We avoid all that if it is a spin off and that problem completely disappears. It also makes it, well, it is just easier all the way around so that -- this is a pure guess and not a statement of policy -- we haven't arrived at a statement of policy on it or crystallized completely in our own mind but there are obvious advantages in a spin off. Nevertheless, we would be shortsighted if we didn't listen to anyone who wanted to buy one of the divisions and have it come on the consent decree and if anyone is interested we would certainly consider it.

MR. SHALOM: Could we have our choice? Just joking.

PRESIDENT SUNDERLAND: You want Esmeraldas? (Laughter) I am curious. What would you choose if you were to choose one?

MR. SHALOM: Jack, I think I will give it to you on that one.

MR. FRIEDLANDER: I would take the Almirante on that one.

MR. STAFF: You have some beautiful fruit and production and nice boxes.

MR. FRIEDLANDER: Am I close, Mr. Miller?

MR. MILLER: You picked out a good one, I will have to admit it.

PRESIDENT SUNDERLAND: Almirante has had a checkered career. It used to be one of our poorest, all within the life span of the people in this room.

MR. FRIEDLANDER: I think the general conditions in that area after all, of course, there are good and bad in every one, but overall I think that has the best possibilities.

MR. FOX: You are sold then on variety bananas?

MR. FRIEDLANDER: You couldn't have sold me on anything else, John, from any conceivable standpoint.

MR. SHALOM: Primarily from production costs it doesn't seem at this particular moment, of course today the premium product seems to be your Lacatan banana, from a new operation where you would be assured that there wouldn't be a blow down if we had the seed. Other than that there is no other way to go.

MR. FRIEDLANDER: There are too many other problems. Production costs are high, Panama problem.

PRESIDENT SUNDERLAND: What would you pay us for Almirante?

MR. FRIEDLANDER: If you gave me a one week

guided tour through the operation I would be glad to come back to Mr. Shalom and make recommendation.

PRESIDENT SUNDERLAND: In other words, you would rather not say. In what general area do you think it would fall?

MR. FRIEDLANDER: Almirante?

MR. SHALOM: I don't know how you could even estimate. Have you been there, Jack?

MR. FRIEDLANDER: (Nodded head)

PRESIDENT SUNDERLAND: Sure, he knows a lot more than he is saying. (Laughter)

MR. SHALOM: He continues to surprise me from time to time with his background of what he has seen of the areas.

MR. FRIEDLANDER: Almirante, only a small part of that division is presently planted. It is probably some of the most fertile soil I have ever seen anywhere. It was greatly embedded by the flood fallowing program that went through some years back. That really topped it off. It would be worth in the millions.

PRESIDENT SUNDERLAND: I would hope so. (Laughter) If we are talking in the thousands we can break it up right now.

PX 1363

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25

MR. SHALOM: I think it is a question of whether you are talking of the low five figures or high five figures. The lower five figures I am sure.

MR. FRIEDLANDER: I really think everything about that area is favorable.

MR. SHALOM: If the fishing is as good off Almirante -- that is a nice swordfish.

MR. MILLER: It is not as good.

MR. FOX: That is the Pacific.

MR. FRIEDLANDER: It has a pretty good record for blow downs too. I don't think you have had a high experience of blow downs in that area either.

MR. MILLER: It is very good from blow downs.

PRESIDENT SUNDERLAND: Well, if you want to be considered why don't you write us a note and get your name on the record, or somebody who does want to here, and when, as and if we decide to canvas for bids. I am not a hundred per cent sure we will because, as I said, I think the spin off probably just solves so many problems.

MR. SHALOM: That makes sense.

MR. STAFF: The spin off, the stockholders remain in the new company?

MR. FOX: Same stockholders.

MR. STAFF: That is the one I was interested in three years ago, if you recall. You just said at that time, "Why don't you buy?"

MR. SHALOM: I think we already have a letter on file with you, Mr. Fox, that we wrote you the early part of this year.

MR. FOX: Maybe with Mr. Roddy.

MR. SHALOM: I believe you said you were going to turn over to Mr. Roddy.

MR. FOX: But you didn't specify Almirante.

PRESIDENT SUNDERLAND: I was just curious as to which division they would pick first. Most people would pick Esmeraldas first.

MR. FRIEDLANDER: First, Almirante is on the East Coast. Esmeraldas you would have a higher cost to get to the East Coast.

PRESIDENT SUNDERLAND: All right, what else?

MR. SHALOM: I don't think there is anything else. You have given us something to think about and we will try to get back to you in a short time.

MR. FRIEDLANDER: That spin off. Then we would have the benefit of some United Fruit personnel in that arrangement too?

PRESIDENT SUNDERLAND: It all depends. It could be worked out that way or worked out another way. There are possibilities depending on the need of the purchaser. In the spin off obviously the personnel would go with it.

MR. SHALOM: Well, we want to thank you for your time and consideration.

MR. STAFF: Why don't you drop down to New York and see us sometime, Mr. Sunderland and Mr. Fox. We are right at 43rd Street and 5th Avenue. Take a look and see how we operate. We promise you a lunch.

MR. FRIEDLANDER: I have been after John many times when he comes down to New York but obviously he is a busy man.

MR. FOX: You're right, the boss makes sure of that. I have been trying to learn the banana business, as you have.

MR. FRIEDLANDER: The longer you are in it the less you know about it.

MR. SHALOM: It is a fast changing business really. It is a completely different animal than it was years ago.

PRESIDENT SUNDERLAND: Are you a partner in this business too?

PX 1363

795A

1203 (71)
28

MR. SHALOM: Yes, sir. Let me give you my card. I think you may be aware that they transferred the assets of Ecuadorian Fruit to a publicly owned stock on the Exchange. One hundred per cent of the stock is now owned by Great Western Producers, a company we control, and that is listed on the Stock Exchange.

MR. FOX: Is it only bananas?

MR. SHALOM: It is a company that used to be champagne, the largest in the United States. We had this company for quite a while and sold to Taylor Wine Company. Great Western Producers today owns one hundred per cent of Ecuadorian Fruit plus 300 shares of Taylor Wine Company which is an over the counter security.

PRESIDENT SUNDERLAND: When did this take place?

MR. SHALOM: Just recently. It was just voted on early in December at a stockholders' meeting, wasn't it, Sam?

MR. STAFF: (Nodded head)

MR. FOX: I bought a lot of that for my daughter's wedding.

MR. STAFF: Now we are an open book.

PRESIDENT SUNDERLAND: Is Great Western in the wine business still?

PX 1363 796A

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MR. SHALOM: No. They have this holding in the Taylor Wine which is one of the largest in the East and we have a 25 per cent interest in it. We will probably be disposing of a certain amount of our shares in Taylor Wine shortly for various reasons, one of which is because if we don't we will be considered an investment company under the S.E.C. regulations which I think is a rather difficult thing from an operating point of view. We have been advised that we will probably be making some disposition of our assets in Taylor Wine. It represents today about a $5 million or $6 million investment in the company but we will have to cut that down within the next year.

PRESIDENT SUNDERLAND: Now is there anything that we haven't covered that we ought to?

MR. SHALOM: No, have you, Jack?

MR. FRIEDLANDER: No. It is much clearer.

PRESIDENT SUNDERLAND: Is there anything that poses any insurmountable problem?

MR. FRIEDLANDER: No.

PRESIDENT SUNDERLAND: Anything that was unfair?

MR. STAFF: For the record, no, absolutely none.

MR. FRIEDLANDER: You have been very cooperative, clear and concise.

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1203 (C.
30

PRESIDENT SUNDERLAND: All right.

MR. FRIEDLANDER: I wish the banana rules and regulations were as clear and concise.

MR. FOX: Amen.

PRESIDENT SUNDERLAND: Okay, then we will be hearing from you?

MR. SHALOM: Yes, sir.

PRESIDENT SUNDERLAND: Fine.

MR.FRIEDLANDER: Who should we address this to?

PRESIDENT SUNDERLAND: This comes under Mr. Fox's jurisdiction. Why don't you address it to him?

(The conference adjourned at 4:20 P. M.)

Exhibit A-1

PX 1364
7984

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

Freight Computation under Decision of
Supreme Court of the State of New York

West Coast Banana Shipments by Cia. Agricola

| Year | No. of cars | Charged rate | Amount | Court decision Rate | Court decision Amount | Difference | Schedule reference |
|---|---|---|---|---|---|---|---|
| 1946 | 13,652 | $ 60.00 | 819,120.00 | 75.00 | 1,023,900.00 | 204,780.00 | A-1-a |
| 1947 | 21,765 | 60.00 | 1,305,900.00 | 75.00 | 1,632,375.00 | 326,475.00 | A-1-b |
| 1948 | 25,632 | 75.00 | 1,922,400.00 | 80.00 | 2,050,560.00 | 128,160.00 | A-1-b |
| 1949 | 14,525 | 75.00 | 1,089,375.00 | 85.00 | 1,234,625.00 | 145,250.00 | A-1-c |
| 1949 (Guatemala City only) | 66 | 25.00 | 1,650.00 | 25.00 | 1,650.00 | - | - |
| 1950 | 21,300 | 75.00 | 1,597,500.00 | 90.00 | 1,917,000.00 | 319,500.00 | A-1-c |
| 1/1- 6/30/51 | 9,393 | 75.00 | 704,475.00 | 95.00 | 892,335.00 | 187,860.00) | |
| 7/1-12/31/51 | 3,047 | 85.00 | 258,995.00 | 95.00 | 289,465.00 | 30,470.00) | A-1-d |
| 1/1- 5/31/52 | 1,971 | 85.00 | 167,535.00 | 100.00 | 197,100.00 | 29,565.00) | |
| 6/1-12/31/52 | 2,563 | 90.00 | 230,670.00 | 100.00 | 256,300.00 | 25,630.00) | A-1-d |
| 1953 | 16,079 | 84.99/85.77 | 1,369,745.58 | 105.00 | 1,688,295.00 | 318,549.42 | A-1-e |
| 1954 | 14,710 | 84.61/85.77 | 1,254,393.88 | 110.00 | 1,618,100.00 | 363,706.12 | A-1-e |
| 1955 | 12,988 | 84.61/86.54 | 1,111,422.79 | 115.00 | 1,493,620.00 | 382,197.21 | A-1-f |
| | 157,691 | | $ 11,833,182.25 | | 14,295,325.00 | 2,462,142.75 | |
| 1956 | 14,191 | 86.92/90.00 | 1,272,265.00 | 120.00 | 1,702,920.00 | 430,655.00 | A-1-g |
| 1957 to 6/30 | 7,627 | 90.00/93.08 | 701,269.50 | 125.00 | 953,375.00 | 252,105.50 | A-1-g |
| | 21,818 | | $ 1,973,534.50 | | 2,656,295.00 | 682,760.50 | |

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Exhibit B-2

CIA. AGRICOLA - IMPORTS

Freight Computation under Decision of Supreme Court of the State of New York on Basis that Rate found by Court is Increased each Year at 10% of 1946 Rates

| Year | Charged Agricola | Basis | Difference | Schedule reference |
|---|---|---|---|---|
| 4/1-12/31/46 | $ 62,148.00 | 64,260.00 | 2,112.00 | B-2-a |
| 1947 | 68,370.00 | 76,395.00 | 8,025.00 | B-2-a |
| 1948 | 68,558.00 | 85,092.00 | 16,534.00 | B-2-b |
| 1949 | 68,657.00 | 92,124.50 | 23,467.50 | B-2-b |
| 1950 | 67,765.00 | 97,475.00 | 29,710.00 | B-2-c |
| 1951 | 59,111.00 | 90,142.50 | 31,031.50 | B-2-c |
| 1952 | 58,706.00 | 94,832.00 | 36,126.00 | B-2-d |
| 1953 | 73,568.00 | 126,412.00 | 52,844.00 | B-2-d |
| 1954 | 59,601.00 | 108,081.00 | 48,480.00 | B-2-e |
| 1955 | 72,918.00 | 141,759.00 | 68,841.00 | B-2-e |
| | $ 659,402.00 | 976,573.00 | 317,171.00 | |
| 1956 | 88,589.00 | 179,410.00 | 90,821.00 | B-2-f |
| 1957 to 6/30 | 74,127.00 | 157,531.50 | 83,404.50 | B-2-f |
| | $ 162,716.00 | 336,941.50 | 174,225.50 | |

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On Basis of Compounded Increase in Import Rates

| | Excess over rates charged | Interest | Total |
|---|---|---|---|
| West Coast bananas: | | | |
| January 1, 1946 to December 31, 1955 | $ 2,462,142.75 | 591,142.23 | 3,053,284.98 |
| January 1, 1956 to June 30, 1957 | 682,760.50 | 18,786.47 | 701,546.97 |
| | 3,144,903.25 | 609,928.70 | 3,754,831.95 |
| Atlantic bananas: | | | |
| January 1, 1943 to December 31, 1955 | 711,040.04 | 275,023.65 | 986,063.69 |
| January 1, 1956 to June 30, 1957 | 20,900.40 | 636.65 | 21,537.05 |
| | 731,940.44 | 275,660.30 | 1,007,600.74 |
| Imports (10% increase compounded annually): | | | |
| April 1, 1946 to December 31, 1955 | 414,672.50 | 73,421.31 | 488,093.81 |
| January 1, 1956 to June 30, 1957 | 284,004.34 | 6,769.07 | 290,773.41 |
| | 698,676.84 | 80,190.38 | 778,867.22 |
| Total (imports on compounded basis) | $ 4,575,520.53 | 965,779.38 | 5,541,299.91 |

On Basis of Annual Increase at 10% of 1946 Rate

| | | | |
|---|---|---|---|
| West Coast bananas (as above) | $ 3,144,903.25 | 609,928.70 | 3,754,831.95 |
| Atlantic bananas (as above) | 731,940.44 | 275,660.30 | 1,007,600.74 |
| Imports (10% increase each year on 1946 rates): | | | |
| April 1, 1946 to December 31, 1955 | 317,171.00 | 59,664.33 | 376,835.33 |
| January 1, 1956 to June 30, 1957 | 174,225.50 | 4,235.28 | 178,460.78 |
| | 491,396.50 | 63,899.61 | 555,296.11 |
| Total (imports increased by 10% of 1946 rate) | $ 4,368,240.19 | 949,488.61 | 5,317,728.80 |

In our opinion, based on the scope of our examination as indicated above, the excess of freight revenues, based on the decision, over amounts charged for the respective periods and the interest thereon have been correctly computed; also, car movements and freight rates for the respective traffic have been correctly taken for this purpose from the supporting records and documents described herein.

Yours truly,

Ernst, Ernst & Ernst

PX 1365 801A

PEAT, MARWICK, MITCHELL & CO.
ACCOUNTANTS AND AUDITORS
SEVENTY PINE STREET
NEW YORK 5, N.Y.

February 24, 1961

Mr. Frank I. Tennyson, Vice-President
International Railways of Central America
Jersey City 2, New Jersey

Dear Sir:

Ripley v. International Railways of
Central America and United Fruit Company

The accompanying exhibit and schedules breakdown by months the amounts of $3,221,225.07 and $427,253.58 representing the excess of freight revenues based on rates stated in the decision of the Supreme Court of the State of New York over the freight revenues computed at rates which were charged over the periods and interest on the amount of the excess, respectively. In addition to the amounts referred to above, the exhibit and schedules include excess freight revenues due for the month of December 1960, interest through January 1, 1961 and an adjustment for 53 cars of West Coast bananas which terminated in Guatemala City.

We have checked the arithmetical accuracy of the amounts shown on Exhibit A and supporting schedules, and the data as to rates and volume of traffic have been checked on the same basis as described in our report dated December 20, 1960 for each traffic classification for shipments made during the period from January 1, 1956 to December 31, 1960. A summary of excess of court rates over rates charged and of interest follows:

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Excess over Rates Charged

| | | |
|---|---|---|
| From January 1, 1956 to November 30, 1960: | | |
| West Coast bananas | | $ 2,741,860.89 |
| Atlantic bananas | | 105,264.39 |
| Imports | | 374,099.79 |
| Total to November 30, 1960 per report dated December 20, 1960 | | $ 3,221,225.07 |
| Less adjustment - November 1960 West Coast banana shipments (53 cars) | | 2,385.00 |
| Total to November 30, 1960 as adjusted | | 3,218,840.07 |
| Month of December 1960: | | |
| West Coast bananas | $ 88,245.00 | |
| Atlantic bananas | 2,503.93 | |
| Imports | 81.39 | |
| | | 90,830.32 |
| Total to December 31, 1960 | | $ 3,309,670.39 |

Interest

| | | |
|---|---|---|
| Interest for the period from February 18, 1956 to December 17, 1960 on shipments made during the period from January 1, 1956 to November 30, 1960: | | |
| West Coast bananas | | $ 351,381.23 |
| Atlantic bananas | | 11,025.25 |
| Imports | | 64,847.10 |
| Total per report dated December 20, 1960 | | 427,253.58 |
| Interest for the period from December 18, 1960 to January 31, 1961 on shipments made during the period from January 1, 1956 to December 31, 1960: | | |
| West Coast bananas | $ 19,352.84 | |
| Atlantic bananas | 741.84 | |
| Imports | 2,618.90 | |
| | | 22,713.58 |
| Total interest to January 31, 1961 | | $ 449,967.16 |

In our opinion, based on the scope of our examination as previously mentioned, the excess of freight revenues, based on the decision, over the amounts charged for the respective periods, and interest thereon, have been correctly computed; also, car movements and freight rates for the respective traffic have been correctly taken for this purpose from the supporting records and documents described herein.

Yours truly,

Peat, Marwick, Mitchell & Co.

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INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

Freight Computation under Decision of
Supreme Court of the State of New York

Exhibit A

Years 1956 - 1960

West Coast Banana Shipments by Cia. Agricola (Schedule A-1)

| | No. of cars | Charged rate | Amount | Court decision Rate | Court decision Amount | Difference | Interest (note A) | Interest (note B) |
|---|---|---|---|---|---|---|---|---|
| Year 1956 | 14,191 | $ 86.92/90.00 | 1,272,265.00 | 120.00 | 1,702,920.00 | 430,655.00 | 105,618.40 | 3,014.58 |
| " 1957 | 14,435 | 90.00/93.46 | 1,336,570.48 | 125.00 | 1,804,375.00 | 467,804.52 | 94,229.32 | 3,274.64 |
| " 1958 | 13,230 | 87.69/93.08 | 1,190,444.40 | 130.00 | 1,719,900.00 | 529,455.60 | 78,808.59 | 3,706.19 |
| " 1959 | 13,799 | 85.00/86.92 | 1,186,747.86 | 130.00 | 1,793,870.00 | 607,122.14 | 53,546.18 | 4,249.87 |
| " 1960 (to November 30) | 15,651 | 84.61/85.38 | 1,327,806.37 | 130.00 | 2,034,630.00 | 706,823.63 | 19,178.74 | 4,947.77 |
| | 71,306 | | 6,313,834.11 | | 9,055,695.00 | 2,741,860.89 | 351,381.23 | 19,193.05 |
| Less adjustment - November 1960 shipments | 53 | $ 85.00 | 4,505.00 | 130.00 | 6,890.00 | 2,385.00 | - | 16.70 |
| | 71,253 | | 6,309,329.11 | | 9,048,805.00 | 2,739,475.89 | 351,381.23 | 19,176.35 |
| December 1960 | 1,961 | 85.00 | 166,685.00 | 130.00 | 254,930.00 | 88,245.00 | - | 176.49 |
| | 73,214 | | $ 6,476,014.11 | | 9,303,735.00 | 2,827,720.89 | 351,381.23 | 19,352.84 |

Atlantic Banana Shipments by United Fruit Company (Schedule A-2)

| | No. of stems | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year 1956 | 404,749 | $ .11-1/2 | 46,546.13 | .15-1/3 | 62,061.51 | 15,515.38 | 3,778.18 | 108.60 |
| " 1957 | 252,818 | .11-1/2 | 29,074.10 | .15-1/3 | 38,765.41 | 9,691.31 | 1,966.13 | 67.83 |
| " 1958 | 460,352 | .11-1/2 | 52,940.52 | .15-1/3 | 70,587.28 | 17,646.76 | 2,527.34 | 123.53 |
| " 1959 | 580,176 | .11-1/2 | 66,720.27 | .15-1/3 | 88,960.08 | 22,239.81 | 1,824.33 | 155.67 |
| " 1960 (to November 30) | 1,047,944 | .11-1/2 | 120,513.60 | .15-1/3 | 160,684.73 | 40,171.13 | 929.27 | 281.20 |
| | 2,746,039 | | 315,794.62 | | 421,059.01 | 105,264.39 | 11,025.25 | 736.83 |
| December 1960 | 65,320 | .11-1/2 | 7,511.80 | .15-1/3 | 10,015.73 | 2,503.93 | - | 5.01 |
| | 2,811,359 | | $ 323,306.42 | | 431,074.74 | 107,768.32 | 11,025.25 | 741.84 |

Cia. Agricola - Imports (Schedule A-3)

| | Charged Agricola | Court decision amount | Difference | Interest (note A) | Interest (note B) |
|---|---|---|---|---|---|
| Year 1956 | $ 88,489.00 | 179,210.00(C) | 90,721.00 | 22,321.72 | 635.07 |
| " 1957 | 119,987.00 | 254,341.50(C) | 134,354.50 | 27,577.56 | 940.47 |
| " 1958 | 77,086.00 | 147,324.98(C) | 70,238.98 | 10,116.23 | 491.67 |
| " 1959 | 48,939.00 | 89,877.41(C) | 40,938.41 | 3,672.23 | 286.58 |
| " 1960 (to November 30) | 46,309.00 | 84,155.90(C) | 37,846.90 | 1,159.36 | 264.95 |
| | 380,810.00 | 754,909.79 | 374,099.79 | 64,847.10 | 2,618.74 |
| December 1960 | 200.00 | 281.39(C) | 81.39 | - | .16 |
| | $ 381,010.00 | 755,191.18 | 374,181.18 | 64,847.10 | 2,618.90 |

Notes:

(A) Interest at the rate of 4% per annum from February 18, 1956 to June 27, 1957, and at the rate of 6% per annum from June 28, 1957 to December 17, 1960.

(B) Interest at the rate of 6% per annum from December 18, 1960 to January 31, 1961.

(C) The differences in rates for the years 1956 and 1957 are based on the rates charged and the court decision rates

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INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

15 EXCHANGE PLACE

JERSEY CITY, N. J. 07302

May 9, 1972

To Shareholders:

Enclosed is the balance sheet and profit & loss statement of IRCA for the year ending December 31, 1971. It is estimated that the Company sustained a moderate loss in the first quarter of 1972.

The Company is in arrears in the payment of principal and interest aggregating approximately $2,500,000.00 on its Central Division Bonds which matured January 1, 1972. Substantial other debts are likewise unpaid and past due. Several actions are pending against the Company in Guatemala involving substantial amounts.

Serious negotiations are expected to proceed this Summer finally in connection with the demands of the Government of El Salvador to revise the concession agreement under which IRCA is operating the railroad in that country. Every effort will be made to reach an accommodation under which the Company may continue operations.

Herewith is a notice of the annual meeting of shareholders to be held on May 31, 1972. Proxies therefor are not solicited.

Faithfully yours,

Louis Yaeger
President

PX 1392

804A

# INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

## BALANCE SHEET (UNAUDITED)

## DECEMBER 31, 1971

### ASSETS

| | | |
|---|---|---|
| CURRENT ASSETS: | | |
| Cash | $ 78,761 | |
| Special deposits | 9,551 | |
| Net balance receivable from agents and conductors | 12,669 | |
| Miscellaneous accounts receivable (net) | 3 ,112 | 307,112 |
| Prepayments | 55,322 | 55,322 |
| Material and supplies | 236,256 | |
| Total current assets | 699,671 | |
| PROPERTY, PLANT AND EQUIPMENT: | | |
| Road and equipment | 21,119,257 | |
| Less: | | |
| Accrued depreciation - road and equipment | 3,388,200 | |
| Accrued amortization of properties reverting, in the year 2009, to the government of El Salvador | 7,734,524 | |
| | 11,122,724 | |
| Net property, plant and equipment (note c) | 9,996,533 | |
| OTHER ASSETS AND DEFERRED CHARGES: | | |
| Other assets and deferred charges (note d) | 1,216,854 | |
| TOTAL ASSETS | $11,913,058 | |

### LIABILITIES AND SHAREHOLDERS' EQUITY

| | |
|---|---|
| CURRENT LIABILITIES: | |
| Notes and loans payable | $ 249,000 |
| Audited accounts and wages payable | 122,263 |
| Miscellaneous accounts payable | 624,656 |
| Interest matured unpaid | 693,538 |
| Other taxes accrued and current liabilities | 1,003 |
| Total current liabilities (exclusive of long-term debt due within one year) | 1,690,460 |
| LONG-TERM DEBT DUE WITHIN ONE YEAR: | |
| First Mortgage 5% C.D.P.M. Bonds due Jan. 1, 1972 (note e) | 2,261,000 |
| Equipment obligation (including $836,712 past due) | 1,022,647 |
| Total long-term debt due within one year | 3,283,647 |
| LONG-TERM DEBT: | |
| Equipment obligation payable in equal semi-annual payments to Dec. 31, 1975, less amount due within one year | 557,808 |
| OTHER LIABILITIES AND DEFERRED CREDITS | 669,330 |
| SHAREHOLDERS' EQUITY: | |
| Capital stock: | |
| Common-issued & outstanding 500,000 shs. without par value | 31,441,144 |
| Preferred 5% cumulative participating-issued & outstanding 100,000 shs. of $100 par value | 10,000,000 |
| Total capital stock | 41,441,144 |
| Retained income | 10,232,355 |
| Total shareholders' equity | 51,673,499 |
| INTERDIVISIONAL AND HEAD OFFICE ACCOUNTS: | |
| El Salvador-Guatemala | 36,635,602 |
| Jersey City-Guatemala | (82,597,288) |
| Total inter-office accounts (note g) | (45,961,686) |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | $11,913,058 |

See accompanying notes.

PX 1392

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

NOTES TO FINANCIAL STATEMENTS

8054

DECEMBER 31, 1971

(a) Dividends in arrears on 5% cumulative participating preferred stock amounted to $114.75 as of December 31, 1971.

(b) Net current assets and revenues and expenses recorded in currency of El Salvador have been converted at the rate of one Salvadorian colon for 40 cents (U.S.).

(c) Of the carrying amount of Road and Equipment properties, amortization and depreciation are provided on the following bases:

| | |
|---|---|
| Properties, all of which revert to the government of El Salvador (exclusive of such properties subject to depreciation) | Straight-line amortization at $116,100 per annum (approximate amount recognized by Internal Revenue Service) based upon tenure of properties. |

Rail and other track material, fuel stations, electric plants and isolated buildings (including such property subject to reversion) and equipment are depreciated on the straight-line, declining-balance or sum of the years-digits methods at varying rates over their estimated useful lives.

(d) Other assets and deferred charges do not include claims against the government of Guatemala except an amount for the replacement value of equipment owned by the Salvador division, which was in Guatemala at the time of the take-over of the Guatemala division and never returned.

(e) The 5% Central Division Mortgage Bonds due January 1, 1972, outstanding in the amount of $2,261,000, are applicable to the Guatemala division, and accrued interest thereon, as of December 31, 1971, in the sum of $228,150 is included in current liabilities.

(f) The government of Guatemala took over the Guatemala division and its properties early in 1969 ostensibly based on a judgment in foreclosure. The government subsequently commenced further proceeding against the road. It contends that the Company now has no interest in said properties. Resolution of claims by and against the government will be time consuming.

Set forth below is a summary of assets and liabilities applicable to the Guatemala division as of December 31, 1968, around the time of the takeover by the government. Such summary does not include the Central Division liability of $2,261,000 plus interest mentioned in footnote (e), as same is included in the balance sheet as of December 31, 1971.

**Assets**

| | | |
|---|---|---|
| Current assets | | $ 903,516 |
| Property, plant and equipment | $68,137,062 | |
| Less accrued depreciation & amortization | 17,935,017 | 50,202,045 |
| Other assets and deferred charges | | 276,733 |
| | | $51,382,294 |

**Liabilities**

| | |
|---|---|
| Current liabilities | $ 5,248,810 |
| Other liabilities and deferred credits | 171,798 |
| Interdivisional and head office accounts (note g) | 45,961,686 |
| | $51,382,294 |

(g) The Interdivisional and New Jersey office accounts represent the balance, over the years, of transactions between the Guatemala division, the El Salvador division, and the New Jersey office, such as transfers of cash, materials, equipment, etc., and do not represent assets or liabilities as such. These accounts offset each other and would wash out on a consolidated basis. Their appearance in the balance sheet is due to the fact that the accounts on the books of the Guatemala division since the government takeover are not included in the accompanying financial statements.

PX 1396-A

JAN 25 1974

STANDARD FRUIT Co.

| YEAR | BOXES | CARS | AVERAGE BOXES PER CAR | RATE BASIC | TAX DIFFERENTIAL FUEL OIL PRICE | TAX DIFFERENTIAL WAGE LEVELS | TOTAL | $100 p.c. | REVENUE DIFFERENTIAL FUEL OIL | REVENUE DIFFERENTIAL WAGE LEVELS | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1954 | 824,880 | 2,647 | 314 | $ 120 | | | $ 120.00 | $ 333,110 | $ - | $ - | |
| 1955 | 770,474 | 2,402 | 320 | 120 | | | 120.00 | 340,000 | - | - | |
| 1956 | 804,781 | 2,244 | 358 | 120 | | | 120.00 | 301,720 | - | - | |
| 1957 | 800,884 | 3,043 | 263 | 120 | | | 120.00 | 473,000 | - | - | |
| 1958 | 874,884 | 3,405 | 257 | 120 | 0.64 | | 120.64 | 422,000 | 1,037.54 | - | |
| 1959 | 1,103,773 | 4,005 | 257 | 120 | 0.53 | 2.72 | 123.25 | 600,450 | 2,007.35 | 12,000.04 | |
| 1960 | 1,640,000 | 6,000 | 230 | 120 | | 4.37 | 124.37 | 800,400 | - | 20,000.50 | |
| 1961 | 1,000,020 | 4,334 | 242 | 120 | | 5.79 | 125.79 | 500,000 | 11.06 | 25,005.33 | |

OTHER EXPORTERS

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1954 | 1,144 | 3 | 381 | C/L | 24.00 | $ | 72 |
| 1959 | 3,072 | 11 | 284 | stem | 0.10 | | 307.20 |
| 1960 ) | 5,325 | 18 | 296 | ** | | | 604.00 ) |
| ) | 3,429 | 12 | 287 | | | | 1,570.13 ) |
| 1962 | 000 | 3 | 320 | | 120 | | 360 |

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* Tariff on West Coast bananas, applied to shipments of Standard Fruit Company, was as follows:
Basic tariff - $120.00 per carload, from West Coast plantations to Puerto Barrios
Additional charges:
Rate order 1273 - dated 14 February 1958, effective 1 March 1958:
a) Rail freight will be increased $ 4.81 per carload for each cent by which the fuel oil price exceeds $ 0.04023 per gallon, and proportionately for each tenth of a cent.
b) For each 1% of increase in the wage scales over the basic wage scales in effect at 1 November 1957 the tariff in effect will be increased six tenths of one per cent.

** Information not readily available due to transferring of files in connection with station building modifications.

JAD:tl
8/1/64

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA

BANANA TRAFFIC

COMPAÑIA AGRICOLA

| YEAR | STEMS | CARS | AVERAGE STEMS PER CAR | RATE PER CAR | REVENUE |
|---|---|---|---|---|---|
| 1954 | 4,676,255 | 14,710 | 317.9 | $4.61 - $5.77 | $ 1,254,393.83 |
| 1955 | 3,986,805 | 12,988 | 307.0 | $4.61 - $6.54 | 1,111,422.79 |
| 1956 | 4,390,722 | 14,191 | 309.4 | $6.92 - $9.00 | 1,272,265.00 |
| 1957 | 3,918,800 | 14,435 | 271.5 | $9.00 - $13.46 | 1,336,570.43 |
| 1958 | 3,293,564 | 13,230 | 248.9 | $7.69 - $13.03 | 1,190,444.40 |
| 1959 | 3,676,645 | 13,799 | 266.4 | $5.00 - $6.92 | 1,186,747.86 |
| 1960 | 4,623,468 | 17,559 | 262.5 | $4.61 - $5.38 | 1,489,986.37 |
| 1961 | 3,491,128 | 13,603 | 254.2 | $13.00 | 1,780,090.00 |
| 1962 | 2,063,670 | 7,305 | 283.2 | $13.00 | 949,650.00 |
| 1963 | 2,709,004 | 9,177 | 295.2 | $13.00 | 1,193,010.00 |
| 1964 (6 months) | 1,778,131 | 6,270 | 283.6 | $13.00 | 815,100.00 |
| ~~1964 (7 months)~~ | | ~~6,790 (CAS closed down July 31, 1964)~~ | | | |

JAB:tl
7/31/64

PX 1408 ✱ 808 A

March 26, 1963.

Mr. R. A. Holcombe
Puerto Armuelles,
Rep. de Panamá.

Dear Mr. Holcombe:

This confirms our recent conversation in which I agreed to give Messrs. Robbins, Holcombe and Holcombe first refusal in the following areas when they are given to me for sale:

| | |
|---|---|
| Zunil and the South half of the adjoining Tacaña farm, approximately | 1,300 Acres. |
| Palo Blanco - approximately | 1,100 " |
| Primavera - approximately | 1,100 " |

You will recall that you, tentatively, agreed that I would supply the quetzales for the first payment on the 1,358 acres of land late in April for which you would deposit an equal amount in dollars in the States.

Will you please advise if this agreement is still in order?

Very truly yours,

A. L. Bump.

CC: Mr. T. E. Holcombe
Mr. Jim Robbins
ALB/arb.

Pltf's ex-1 (Bump) 11
For I. D.
12/11/64 ad.

PX 1409 809A

FEB 6 1974

R. A. HOLCOMBE
GENERAL MANAGER, TROPICAL DIVISIONS

PUERTO ARMUELLES, REPUBLIC OF PANAMA

March 18, 1963

Mr. A. L. Bump
Guatemala City, Guatemala

Dear Mr. Bump:

This will confirm our recent conversation in Guatemala to the effect that you will give Robbins, Holcombe & Holcombe first refusal to purchase the following properties if and when they are put up for sale:

Zuñil and the South half of adjoining farm Tacaña - Approximately 1,300 acres.

Palo Blanco - Approximately 1,100 acres

Primavera - Approximately 1,100 acres

We hope to sign the Escritura in April for the purchase of the 1,558 acres already agreed upon. Ted has made a deposit on purchase and, as you know, the land is now being cleared.

Will you please confirm the above.

Best regards,

R. A. Holcombe

cc: Mr. Jim Robbins
Mr. T. A. Holcombe

1/4 Bump EX 12
FILED
12/16/69 WA

PX1410 & 810A

Tiquisate, April 15, 1963

Mr. A. L. Bump
Guatemala City

Dear Mr. Bump:

I would like to be kept in mind for the purchase of lower Verapaz, Pacaya and first half of Ipala Farm when and if it is for sale. Approximate acreage is:

| | |
|---|---|
| Verapaz | 625 |
| Pacaya | 1,030 |
| Ipala | 520 |
| Total | 2,175 |

What I mean by being kept in mind is to have the first refusal to purchase.

Yours very truly,

T. A. Holcombe

Pgs Bump EXIS
For I. D.
12/16/74

PX 1415 DELAWDER 811A

FEB 1 - 1974

MEMORANDUM

346
X346
X-346

May 6, 1963

Mr. Sunderland: Re: IRCA - Tiquisate Division

I refer to your memorandum of May 1st regarding Cía. Agricola's position with respect to rates for banana transportation from Tiquisate to Puerto Barrios.

As instructed by Mr. Miller in his letter of July 31, 1962, Mr. DeLawder on August 6, 1962, requested that IRCA publish a tariff for boxed bananas from Tiquisate to Puerto Barrios. Upon receipt of this letter, Mr. Haase contacted Mr. Fox to advise that IRCA could not arrive at a decision with respect to a tariff for bananas without a better understanding of the Company's plans for its future operations in Guatemala and suggested that there be a meeting between representatives of both Companies. This meeting was scheduled for September 6, 1962 and was held here in Boston.

At this meeting, Mr. Haase was advised that the high tariff on bananas fixed by the court in the Ripley case made the cost of Tiquisate bananas so high that they could not compete favorably in the world market and that the Company would have to consider an alternative form of transportation when its contract with IRCA expired on January 1, 1963 unless the cost of transportation could be reduced.

Although Mr. Haase questioned the expiration date of the contract, he did state that if the Company could give the Railway some information as to its future plans for Guatemala, they would study the matter of the banana tariff. In the interim he agreed that IRCA would continue to charge the judgment rate for bananas and use this rate for transporting boxed fruit.

On October 12, 1962, Mr. DeLawder wrote to Mr. Haase giving an estimate of banana shipments for 1963 and advising him that all or a portion of the Tiquisate fruit might be transported by carriers other than IRCA.

Mr. Fox' file memorandum of January 18, 1963 covering his meeting with Mr. Roy Chalk and Mr. Haase on January 11, 1963, indicates that the question of the high tariff on Tiquisate bananas was again discussed and that if it continued to remain high, the Company might have to consider withdrawing from its banana operations in Tiquisate.

PX 145

812A



On February 14, 1963 in answer to a letter from Mr. Grand of AID requesting information as to the Company's future plans for Guatemala in order to assist AID in deciding its course of action with respect to a loan application from IRCA, you advised Mr. Grand that the present high tariff rate for bananas from Tiquisate would not permit fruit from that division to compete in world markets and that we had so advised IRCA but that we had not been advised of their decision. To date, IRCA has not advised us of their position with respect to the tariff on bananas transported from Tiquisate to Puerto Barrios.

Mr. Fox has advised that trial shipments of bananas by trailer are to commence on or about June 15th and with the help of Davis Polk we are drafting the form of letter which will be used to advise IRCA of this fact. It is felt that this action will in all probability, cause IRCA to arrive at a definite decision to discuss the matter of the tariff on bananas with us.

ORIGINAL SIGNED /G. S. Howard

cc: Mr. J. M. Fox
Mr. R. O. Miller

PX 1429 PLAINTIFF'S EXHIBIT MAR 813A 1974

REC'D BY
JAN 15 1965
J. M. FOX

January 15, 1965

Mr. J.M. Fox:

SUBJECT: Monthly Report

Attached herewith are the monthly reports of the divisions in my group, along with a special report on the longhsore strike and the efforts to cushion the adverse effects of the strike on the Company as much as possible.

A daily procedure has been established to evaluate the strike situation andmake decisions regarding the disposition of vessels and the cutting and loading of fruit in the Tropics. Necessarily, these decisions are in part based on an evaluation of the outlook for strike settlement within a period of ten to fifteen days ahead and involve major risks. On the other hand, the risks of doing nothing are judged to be greater because of potential fruit losses in the Tropics and the possibility of being out of the market after the strike is settled. Prices since the strike began have been about $2.90 per box in the southern ports. The total U.S. discharges this week will be about 850,000 boxes compared to 807,000 boxes a year ago.

If the strike continues, and if we lose fruit as it matures, the impact on the Company will be at the rate of between $120,000 and $140,000 per calendar day.

Other items of interest include:

(1) Grace freight rate
The expected reduction on fibreboard rates mentioned in Mr. Miller's report has been announced. The cost of shipments of fibreboard to Ecuador on Grace ships has been reduced from $28 per ton to $24 per ton. This amounts to 1¢ per box.

(2) British banana market.
Also attached to this memorandum is a photocopy of a British newspaper clipping which gives a brief summary of the impact of the flood of bananas on the British market during the past thirty days. This situation will be serious throughout the year, but Admiral Cooper reported yesterday that the market shows some signs of strengthening.

PX 1420

814A



(3) Share of market.
The banana operations summary for 1964 indicates that the Company's share of the U.S. market was 46% during the year as contrasted to 50% in 1963. We had 71% of the shipments to the U.S. market from Central American countries as contrasted with 70% in the prior year. United Fruit shipments from Ecuador represented 13% of the shipments from that country to the U.S. as contrasted with 24% in 1963.

(4) Fruit losses.
Fruit losses for all reasons for the past three years are shown in the following table:

| | Storm losses | Other losses | Total |
|---|---|---|---|
| 1962 | 8,419,000 | 3,386,000 | 11,805,000 |
| 1963 | 7,253,000 | 3,155,000 | 10,408,000 |
| 1964 | 4,828,000 | 4,547,000 | 9,375,000 |

(5) The press reports that Taiwan banana growers intend to ship bananas to the West Coast of the United States during May and June when a large surplus exists in that country.

(6) Far East operations.
It has been decided to put the plans for Far Eastern operations into abeyance for at least one year. It appears unlikely that it will be possible to negotiate a satisfactory arrangement in the Philippines until after the November 1965 elections. In addition, the market situation in Japan presents a number of problems which our Japanese partners do not appear to be well equipped to solve. All work on the Japanese and Philippine programs has been discontinued, which will result in a material cost-saving.

It is hoped that Mr. Sunderland will be able to go to Japan soon to discuss our decision with the Japanese partners and arrange a mutually satisfactory means of dissolving the Far East Fruit Co., Ltd.

(7) Bananas for breakfast.
"Newsweek" for December 28, 1964, reported that Dr. Michael E. DeBakey, the eminent Houston surgeon who recently did a successful operation on the Duke of Windsor, begins each day with a breakfast consisting of a cup of black coffee and a banana.

H.C. Cornuelle

Attachments
cc: Mr. T.E. Sunderland

PX 1433 PLAINTIFF'S EXHIBIT 815A

MAR 11 1974

File Annual Report for 1963 9-24

COMPARATIVE STOCK LOSSES

COMPANY AND ASSOCIATE PRODUCERS

TOTAL YEAR

(Available fruit only)

| | 1963 | 1962 | 1961 |
|---|---|---|---|
| Almirante | 20,000 | 200,000 | 6,000 |
| Armuelles | 1,404,000 | 1,340,000 | 859,000 |
| Colombia | 2,087,000 | 1,786,000 | 2,187,000 |
| Dom. Republic | 920,000 | 2,127,000 | 1,343,000 |
| Golfito | 1,163,000 | 929,000 | 1,386,000 |
| Guat. East | 217,000 | 411,000 | 430,000 |
| Guat. West | 911,000 | 817,000 | 1,165,000 |
| Honduras | 531,000 | 809,000 | 1,210,000 |
| Total Year | 7,253,000 | 8,419,000 | 8,586,000 |

TOTAL YEAR LOSSES (Available only)

( - All Divisions - )

| | Company | Associate Producers | Total |
|---|---|---|---|
| 1963 | 4,010,000 | 3,243,000 | 7,253,000 |
| 1962 | 4,271,000 | 4,148,000 | 8,419,000 |
| 1961 | 4,833,000 | 3,753,000 | 8,586,000 |
| 1960 | 4,980,000 | 4,065,000 | 9,045,000 |
| 1959 | 7,799,000 | 3,728,000 | 11,527,000 |
| 1958 | 7,125,000 | 1,915,000 | 9,040,000 |
| 1957 | 6,386,000 | 2,527,000 | 8,913,000 |
| 1956 | 3,945,000 | 1,037,000 | 4,982,000 |
| 1955 | 2,548,000 | 857,000 | 3,405,000 |
| 1954 | 3,568,000 | 1,580,000 | 5,148,000 |
| 1953 | 4,287,000 | 495,000 | 4,782,000 |
| 1952 | 3,205,000 | 577,000 | 3,782,000 |
| 1951 | 4,567,000 | 331,000 | 4,898,000 |

SEE REVERSE

Copies to Messrs.: Sunderland
Fox
Miller
Carpenter
Mason
Walwood
Herbig

January 28, 1964
(WFT)

PX 1433
816A

| BY MONTHS (000 OMITTED) | | ALM. | ARM. | COL. | D.REP. | GOLF. | GUAT.E. | GUAT.W. | HOND. | MONTH |
|---|---|---|---|---|---|---|---|---|---|---|
| JAN. | 1963 | | | | | | | | | NIL |
| | 1962 | | | | | | | | | NIL |
| | 1961 | | | | | | | | | NIL |
| FEB. | 1963 | | 8 | | | 80 | 30 | 80 | | 198 |
| | 1962 | | | | 171 | | | | | 171 |
| | 1961 | | | | 159 | 15 | | | | 174 |
| MAR. | 1963 | | 761 | | 93 | 265 | 20 | 165 | 22 | 1,326 |
| | 1962 | | 29 | 156 | | 111 | 60 | 15 | | 371 |
| | 1961 | | 2 | 91 | | 70 | | | 29 | 192 |
| APR. | 1963 | | | 715 | 288 | 17 | | 431 | | 1,451 |
| | 1962 | | 19 | 506 | | 46 | 27 | 22 | | 620 |
| | 1961 | | 19 | 339 | | 9 | | 250 | | 617 |
| MAY | 1963 | | | 540 | 18 | 76 | | 80 | 5 | 719 |
| | 1962 | 51 | 30 | 488 | 47 | | | 175 | 55 | 846 |
| | 1961 | | 33 | 555 | 101 | 14 | 300 | 325 | | 1,328 |
| JUNE | 1963 | | 225 | 5 | 209 | 615 | 127 | 80 | 253 | 1,514 |
| | 1962 | | 22 | 37 | 1,767 | 26 | 67 | 8 | 83 | 2,010 |
| | 1961 | | 100 | 205 | 919 | 16 | | | 284 | 1,524 |
| JULY | 1963 | | | 38 | 27 | 20 | 40 | 60 | 200 | 385 |
| | 1962 | 114 | 1,070 | 65 | | 207 | | 567 | 35 | 2,058 |
| | 1961 | 6 | 50 | 21 | | 245 | | 40 | 51 | 413 |
| AUG. | 1963 | | 106 | 310 | 63 | 17 | | 15 | | 511 |
| | 1962 | | 150 | 112 | 142 | 505 | | 30 | 67 | 1,006 |
| | 1961 | | 25 | 253 | 158 | 838 | | 40 | | 1,314 |
| SEPT. | 1963 | | 300 | 479 | 222 | 37 | | | 51 | 1,089 |
| | 1962 | | 20 | 344 | | 32 | 152 | | 229 | 777 |
| | 1961 | | 30 | 282 | 6 | 25 | 40 | | 10 | 393 |
| OCT. | 1963 | | | | | 10 | | | | 10 |
| | 1962 | 18 | | | | 2 | 105 | | 340 | 465 |
| | 1961 | | | 419 | | 4 | | 20 | | 443 |
| NOV. | 1963 | 11 | 4 | | | 20 | | | | 35 |
| | 1962 | | | 11 | | | | | | 11 |
| | 1961 | | | 22 | | | 90 | 490 | 836 | 1,438 |
| DEC. | 1963 | 9 | | | | 6 | | | | 15 |
| | 1962 | 17 | | 67 | | | | | | 84 |
| | 1961 | | 600 | | | 150 | | | | 750 |
| YEAR | 1963 | 20 | 1,404 | 2,087 | 920 | 1,163 | 217 | 911 | 531 | 7,253 |
| | 1962 | 200 | 1,340 | 1,786 | 2,127 | 929 | 411 | 817 | 809 | 8,419 |
| | 1961 | 6 | 859 | 2,187 | 1,343 | 1,386 | 430 | 1,165 | 1,210 | 8,586 |

## BANANA SALES IN THE UNITED STATES

| Year | Thousands of Stems Sold: Company | Competitive | Total | % Company | Weight Sold-Millions of Pounds: Company | Competitive | Total | Population | Consumption Per Capita (Thousands of Pounds) | Company Avg. Receipts per 100 lbs. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1960 | | | | | | | | | | |
| 1959 | 26,690 | 22,839 | 49,529 | 53.9 | 1,942 | 1,545 | 3,487 | 178,584 | 19.53 | $6.63 |
| 1958 | 25,316 | 20,260 | 45,576 | 55.5 | 1,985 | 1,378 | 3,363 | 173,260 | 19.41 | 6.88 |
| 1957 | 24,772 | 21,069 | 45,841 | 54.0 | 2,020 | 1,450 | 3,470 | 170,333 | 20.37 | 7.10 |
| 1956 | 26,523 | 18,323 | 44,845 | 59.1 | 2,140 | 1,246 | 3,386 | 167,259 | 20.24 | 7.05 |
| 1955 | 26,479 | 19,478 | 45,957 | 57.6 | 2,088 | 1,220 | 3,308 | 164,303 | 20.13 | 7.40 |
| 1954 | 27,028 | 19,464 | 46,492 | 58.1 | 2,192 | 1,139 | 3,331 | 161,191 | 20.66 | 7.22 |
| 1953 | 29,128 | 20,397 | 49,525 | 58.8 | 2,277 | 1,141 | 3,418 | 158,313 | 21.59 | 7.33 |
| 1952 | 27,585 | 21,326 | 48,911 | 56.4 | 2,228 | 1,259 | 3,487 | 155,761 | 22.39 | 7.10 |
| 1951 | 28,488 | 19,492 | 47,980 | 59.4 | 2,334 | 1,066 | 3,400 | 153,384 | 22.17 | 7.20 |
| 1950 | 29,769 | 21,102 | 50,871 | 58.5 | 2,398 | 1,011 | 3,409 | 150,697 | 22.62 | 7.26 |
| 1949 | 29,689 | 23,944 | 53,633 | 55.4 | 2,241 | 1,038 | 3,279 | 148,665 | 22.06 | 7.06 |
| 1948 | 32,565 | 26,232 | 58,797 | 55.4 | 2,451 | 1,088 | 3,539 | 146,093 | 24.23 | 6.35 |
| 1947 | 26,831 | 32,091 | 58,922 | 45.5 | 2,063 | 1,287 | 3,350 | 143,446 | 23.36 | 5.70 |
| 1946 | 23,080 | 30,741 | 53,821 | 42.9 | 1,652 | 1,166 | 2,818 | 140,054 | 20.12 | 4.69 |
| 1945 | 20,358 | 19,067 | 39,425 | 51.6 | 1,300 | 745 | 2,045 | 132,481 | 15.44 | 4.49 |
| 1944 | 14,686 | 13,949 | 28,635 | 51.3 | 994 | 668 | 1,662 | 132,885 | 12.51 | 4.95 |
| 1943 | 10,219 | 13,048 | 23,267 | 43.9 | 641 | 543 | 1,184 | 134,245 | 8.82 | 5.28 |
| 1942 | 14,002 | 11,463 | 25,465 | 55.0 | 1,040 | 521 | 1,561 | 133,920 | 11.65 | 4.47 |
| 1941 | 30,716 | 18,972 | 49,688 | 61.8 | 2,067 | 852 | 2,919 | 133,121 | 21.93 | 3.19 |
| 1940 | 32,159 | 17,792 | 49,951 | 64.4 | 2,214 | 812 | 3,026 | 131,669 | 22.98 | 2.73 |
| 1939 | 31,886 | 23,388 | 55,274 | 57.7 | 1,962 | 1,082 | 3,044 | 130,880 | 23.26 | 2.59 |
| 1938 | 32,667 | 23,896 | 56,563 | 57.8 | 1,901 | 1,136 | 3,037 | 129,825 | 23.39 | 2.34 |
| 1937 | 34,111 | 28,233 | 62,344 | 54.7 | 1,850 | 1,311 | 3,161 | 128,825 | 24.53 | 2.41 |
| 1936 | 31,321 | 23,962 | 55,283 | 56.7 | 1,692 | 1,116 | 2,808 | 128,053 | 21.93 | 2.46 |
| 1935 | 30,494 | 21,876 | 52,370 | 58.2 | 1,631 | 996 | 2,627 | 127,250 | 20.65 | 2.31 |
| 1934 | 26,996 | 18,897 | 45,893 | 58.8 | 1,470 | 866 | 2,336 | 126,374 | 18.49 | 2.27 |
| 1933 | 22,561 | 15,269 | 37,830 | 59.6 | 1,132 | 693 | 1,825 | 125,579 | 14.53 | 2.48 |
| 1932 | 26,698 | 18,912 | 45,610 | 58.5 | 1,377 | 854 | 2,231 | 124,840 | 17.87 | 2.02 |
| 1931 | 33,245 | 21,786 | 55,031 | 60.4 | 1,742 | 985 | 2,727 | 124,040 | 21.93 | 2.05 |

Comptroller's Office
October 20, 1960

PX 174 65 X PLAINTIFF'S EXHIBIT JAN 8 1965 A 9/23/60

Copy

PX 1463

# BANANA SALES IN CANADA

| Year | Thousands of Stems Sold | | | | Weight Sold-Millions of Pounds | | | Population | Consumption Per Capita (Thousands of Pounds) | Company Avg. Receipts per 100 lbs. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Company | Competitive | Total | % Company | Company | Competitive | Total | | | |
| 1960 | | | | | | | | | | |
| 1959 | 3,391 | 1,290 | 4,681 | 72.5 | 251 | 88 | 339 | 17,442 | 19.42 | $7.43 |
| 958 | 3,184 | 1,101 | 4,285 | 74.3 | 247 | 76 | 323 | 17,048 | 18.97 | 7.48 |
| 1957 | 3,113 | 963 | 4,076 | 76.4 | 249 | 69 | 318 | 16,650 | 19.11 | 8.22 |
| 1956 | 3,033 | 853 | 3,886 | 78.0 | 249 | 58 | 307 | 16,081 | 19.11 | 7.58 |
| 1955 | 2,886 | 934 | 3,820 | 75.6 | 234 | 61 | 295 | 15,601 | 18.93 | 7.76 |
| 1954 | 2,872 | 922 | 3,794 | 75.7 | 235 | 60 | 295 | 15,195 | 19.44 | 7.75 |
| 1953 | 3,260 | 554 | 3,814 | 85.5 | 264 | 36 | 300 | 14,781 | 20.30 | 7.70 |
| 1952 | 2,685 | 949 | 3,634 | 73.9 | 226 | 56 | 282 | 14,430 | 19.53 | 7.61 |
| 1951 | 2,546 | 881 | 3,427 | 74.3 | 219 | 48 | 267 | 14,009 | 19.03 | 7.56 |
| 1950 | 2,536 | 307 | 2,843 | 89.2 | 215 | 17 | 232 | 13,712 | 16.92 | 7.51 |
| 1949 | 2,523 | 475 | 2,998 | 84.2 | 200 | 23 | 223 | 13,447 | 16.58 | 7.33 |
| 1948 | 3,152 | 180 | 3,332 | 94.6 | 249 | 9 | 258 | 12,823 | 20.12 | 6.58 |
| 1947 | 3,503 | 147 | 3,650 | 96.0 | 279 | 8 | 287 | 12,551 | 22.86 | 5.69 |
| 1946 | 3,873 | 1,449 | 5,322 | 72.8 | 300 | 45 | 345 | 12,292 | 28.04 | 5.56 |
| 1945 | 1,918 | 2,384 | 4,302 | 44.6 | 138 | 79 | 217 | 12,072 | 17.96 | 5.50 |
| 1944 | 430 | 2,543 | 2,973 | 14.5 | 31 | 88 | 119 | 11,946 | 9.93 | 5.50 |
| 1943 | 194 | 922 | 1,116 | 17.4 | 12 | 38 | 50 | 11,795 | 4.25 | 5.38 |
| 1942 | 688 | 247 | 935 | 73.6 | 41 | 11 | 52 | 11,654 | 4.45 | 4.63 |
| 1941 | 2,595 | 707 | 3,302 | 78.6 | 122 | 31 | 153 | 11,507 | 13.30 | 3.68 |
| 1940 | 2,221 | 437 | 2,658 | 83.5 | 122 | 21 | 143 | 11,381 | 12.60 | 3.05 |
| 1939 | 2,205 | 682 | 2,887 | 76.4 | 108 | 33 | 141 | 11,267 | 12.52 | 3.17 |
| 1938 | 2,479 | 984 | 3,463 | 71.6 | 111 | 41 | 152 | 11,152 | 13.69 | 2.91 |
| 1937 | 2,609 | 919 | 3,528 | 73.9 | 118 | 39 | 157 | 11,045 | 14.26 | 2.89 |
| 1936 | 2,406 | 919 | 3,325 | 72.4 | 110 | 37 | 147 | 10,950 | 13.44 | 2.79 |
| 1935 | 1,954 | 1,043 | 2,997 | 65.2 | 92 | 42 | 134 | 10,845 | 12.29 | 2.66 |
| 1934 | 2,065 | 1,079 | 3,144 | 65.7 | 87 | 38 | 125 | 10,741 | 11.62 | 2.77 |
| 1933 | 1,124 | 1,249 | 2,373 | 47.4 | 42 | 41 | 83 | 10,633 | 7.77 | 2.71 |
| 1932 | 1,368 | 1,730 | 3,098 | 44.2 | 55 | 63 | 118 | 10,510 | 11.21 | 2.28 |
| 1931 | 1,919 | 2,082 | 4,001 | 48.0 | 90 | 81 | 171 | 10,377 | 16.44 | 2.11 |

818A

9/20/60

ntroller's Office

PX 1471 PW/8194

ECUADOR

STEMS SHIPPED FROM ALL PORTS

(000 OMITTED)

| | Total All Shippers | UFCO | %UFCO |
|---|---|---|---|
| 1960 | 35,874 | 8,585 | 24 |
| 1959 | 34,764 | 7,067 | 20 |
| 1958 | 28,976 | 3,135 | 11 |
| 1957 | 26,441 | 4,016 | 15 |
| 1956 | 23,035 | 4,057 | 18 |
| 1955 | 23,795 | 5,116 | 22 |
| 1954 | 18,877 | 3,959 | 21 |
| 1953 | 15,812 | 3,422 | 22 |
| 1952 | 16,546 | 3,420 | 21 |
| 1951 | 9,063 | 992 | 11 |
| 1950 | 7,610 | 1,016 | 13 |
| 1949 | 5,176 | 980 | 19 |
| 1948 | 3,594 | 1,052 | 29 |
| 1947 | 2,687 | 948 | 35 |
| 1946 | 1,301 | 250 | 19 |
| 1945 | 617 | - | - |
| 1944 | 517 | - | - |
| 1943 | 630 | - | - |
| 1942 | 880 | 36 | 4 |
| 1941 | 1,334 | 444 | 33 |
| 1940 | 1,840 | 725 | 39 |
| 1939 | 2,012 | 678 | 34 |
| 1938 | 2,163 | 694 | 32 |
| 1937 | 1,875 | 646 | 34 |
| 1936 | 2,221 | 896 | 40 |
| 1935 | 1,770 | 709 | 40 |
| 1934 | 1,452 | 470 | 32 |
| 1933 | 459 | - | - |
| 1932 | 324 | - | - |
| 1931 | 607 | - | - |
| 1930 | 1,182 | - | - |
| 1929 | 921 | - | - |

Boston, Massachusetts
January 16, 1961

PX1479 820 A

October 18, 1962

MEMORANDUM REGARDING BANANA PLANTING PROJECTS

Due to legislation recently passed in Honduras regarding agrarian reform, it became necessary to postpone and possibly cancel our plans for future planting of bananas in that country.

The planting of approximately 5,600 acres of Valery bananas in Honduras had been approved and scheduled for 1962. About 1,800 acres of this program have not as yet been planted, and work on these 1,800 acres has been stopped.

The approved 1963 Capital Appropriations Budget provided for the planting of an additional 7,500 acres of Valery bananas in Honduras in 1963. This program will now be held in abeyance until satisfactory amendments are made to the Honduras Agrarian Reform law.

In order to maintain adequate acreage under cultivation to supply estimated sales demands, it is necessary to compensate for the loss of 9,300 acres by additional planting in other countries.

It is recommended that the following plantings and changes in planting schedules be authorized to replace acreage originally contemplated for Honduras:

1. Bocas Division. An Associate Producer project of 4,520 acres of Valery bananas to be planted in 1962 and 1963 on land already flood fallowed.

2. Bocas Division. An Associate Producer project of 4,200 acres of Valery bananas to be planted in 1964. This acreage requires flood fallowing which should be started in 1962.

3. Bocas Division. The conversion of approximately 800 acres on Farm 4 from cacao to Valery bananas. This would be done in 1963.

4. Armuelles Division. The planting schedule for the Las Huacas Associate Producer project called for the planting of 2,538 acres in 1962, 2,500 acres in 1963, and 2,012 acres in 1964. It is now proposed to plant 4,512 acres of Cocos bananas in 1963, thus completing the project next year.

5. Golfito Division. The planting of 4,164 acres of Cocos bananas in 1963 was approved in the 1963 Capital Appropriation Budget. It is now proposed to increase the 1963 planting to 5,664 acres by planting 1,500 acres which were previously scheduled for planting in 1964.

The net effect of the foregoing changes, in acres to be planted, can be summarized as follows:

| | Honduras | Bocas | Armuelles | Golfito | Total |
|---|---|---|---|---|---|
| 1962 | -1,800 | 600# | -- | -- | -1,200 |
| 1963 | -7,500 | 4,720 | 2,000 | 1,500 | 720 |
| 1964 | -- | 4,200 | -2,000 | -1,500 | 700 |
| Totals | -9,300 | 9,520 | -- | -- | 220 |

#Estimated acreage which could be planted in 1962.

PX 14 83 B 821A

# SUMMARY OF TROPICAL BANANA OPERATIONS
## COST PER 100 POUNDS PERIOD ENDING DECEMBER 1961

| | YEAR TO DATE | | | TOTAL YEAR | | |
|---|---|---|---|---|---|---|
| | ORIGINAL ESTIMATE | ACTUAL PERFORMANCE | LAST YEAR | ORIGINAL BUDGET | LATEST ESTIMATE | LAST YEAR |
| **ALL FRUIT** | | | | | | |
| COLOMBIA | 3.93 | 3.66 | 5.18 | | | |
| GOLFITO | 3.09 | 3.84 | 3.40 | | | |
| DOMINICAN REPUBLIC | 2.83 | 3.33 | 3.00 | | | |
| ECUADOR | 2.90 | 3.09 | 3.11 | | | |
| GUATEMALA EAST | 4.88 | 5.30 | 6.46 | | | |
| GUATEMALA WEST | 3.79 | 3.71 | 3.90 | | | |
| HONDURAS | 4.66 | 3.79 | 4.30 | | | |
| NICARAGUA | | | | | | |
| PANAMA ARMUELLES | 2.37 | 2.26 | 2.12 | | | |
| PANAMA BOCAS | 5.67 | 8.00 | 7.28 | | | |
| TOTAL AVAILABLE | 3.43 | 3.50 | 3.60 | | | |
| RESERVE | | | | | | |
| TOTAL SHIPMENTS | 3.46 | 3.50 | 3.60 | | | |
| **STEM FRUIT** | | | | | | |
| Colombia | 3.93 | 3.64 | 5.18 | | | |
| GOLFITO | 3.09 | 3.60 | 3.40 | | | |
| DOMINICAN REPUBLIC | 2.83 | 3.31 | 3.00 | | | |
| ECUADOR | 2.90 | 3.09 | 3.11 | | | |
| GUATEMALA EAST | 4.88 | 5.30 | 6.46 | | | |
| GUATEMALA WEST | 3.79 | 3.70 | 3.90 | | | |
| HONDURAS | 4.02 | 3.21 | 4.28 | | | |
| NICARAGUA | | | | | | |
| PANAMA ARMUELLES | 2.37 | 2.26 | 2.12 | | | |
| PANAMA BOCAS | 5.23 | 6.49 | 7.25 | | | |
| TOTAL AVAILABLE | 3.26 | 3.29 | 3.59 | | | |
| RESERVE | | | | | | |
| TOTAL SHIPMENTS | 3.30 | 3.29 | 3.59 | | | |
| **BOXED FRUIT** | | | | | | |
| COLOMBIA | | 6.86 | 4.09 | | | |
| GOLFITO | | 5.96 | 5.52 | | | |
| DOMINICAN REPUBLIC | | 5.03 | 4.81 | | | |
| ECUADOR | | | 3.86 | | | |
| GUATEMALA EAST | | | | | | |
| GUATEMALA WEST | | 5.64 | 9.02 | | | |
| HONDURAS | 5.38 | 5.15 | 5.87 | | | |
| NICARAGUA | | | | | | |
| PANAMA ARMUELLES | | | | | | |
| PANAMA BOCAS | 7.10 | 9.66 | 10.77 | | | |
| TOTAL | 5.42 | 5.08 | 6.13 | | | |

PLAINTIFF
PX 1491 (MA) 822-A



BANANA REVIEW - U.S. & CANADA

COMPANY PERFORMANCE TRENDS
(Thousands)

| BOXES AND BOX EQUIV. OF STEMS | 1964 | 1963 | Better (Worse) Amount | % |
|---|---|---|---|---|
| WHERE FROM | | | | |
| Ecuador | 4,985 | 8,827 | (3,842) | (44) |
| Armuelles | 11,168 | 9,388 | 1,780 | 19 |
| Golfito | 10,108 | 8,880 | 1,228 | 14 |
| Other | 13,492 | 13,312 | 180 | 1 |
| Total | 39,753 | 40,407 | (654) | (2) |
| WHERE TO | | | | |
| East | 17,749 | 17,710 | 39 | - |
| Central | 12,898 | 13,481 | (583) | (4) |
| West | 9,106 | 9,216 | (110) | (1) |
| Total | 39,753 | 40,407 | (654) | (2) |
| TYPE | | | | |
| Valery | 10,406 | 5,958 | 4,448 | 75 |
| Gros Michel | 29,347 | 34,449 | (5,102) | (15) |
| Total | 39,753 | 40,407 | (654) | (2) |
| REVENUE (Stem & Boxed) | $130,960 | $129,916 | $ 1,044 | 1 |
| Less: Net Cost of Boxing | 22,624 | 15,923 | (6,701) | (42) |
| Net Revenue | $108,336 | $113,993 | -$(5,657) | (5) |
| SALES PRICE PER BOX | | | | |
| East | $3.24 | $3.20 | $ .04 | 1 |
| Central | 3.05 | 3.19 | (.14) | (4) |
| West | 3.86 | 3.80 | .06 | 2 |
| Total | $3.31 | $3.34 | $(.03) | (1) |

Comptroller's Office
February 24, 1965

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PX 1491 823A



## BANANA REVIEW-U.S. & CANADA
## COMPETITORS VOLUME
## (THOUSANDS OF STEMS)

| | 1964 | 1963 | Increase (Decrease) Amount | Increase (Decrease) % |
|---|---|---|---|---|
| **WHERE FROM** | | | | |
| Ecuador | 20,645 | 17,677 | 2,968 | 17 |
| Honduras | 5,080 | 5,447 | (367) | (7) |
| Costa Rica | 2,647 | 1,985 | 662 | 33 |
| All Other | 1,029 | 1,537 | (508) | (33) |
| Total | 29,401 | 26,646 | 2,755 | 10 |
| **WHERE TO** | | | | |
| East | 9,896 | 8,334 | 1,562 | 19 |
| Central | 17,425 | 16,200 | 1,225 | 8 |
| West | 2,080 | 2,112 | (32) | (2) |
| Total | 29,401 | 26,646 | 2,755 | 10 |
| **WHO** | | | | |
| Standard | 14,860 | 12,216 | 2,644 | 22 |
| West Indies | 1,287 | 894 | 393 | 44 |
| All Other | 13,254 | 13,536 | (282) | (2) |
| Total | 29,401 | 26,646 | 2,755 | 10 |

## TOTAL ECUADOR SHIPMENTS

| | | | | |
|---|---|---|---|---|
| Northbound | 24,816 | 23,702 | 1,114 | 5 |
| Europe | 14,831 | 9,774 | 5,057 | 52 |
| Southbound | 883 | 1,239 | (356) | (29) |
| Japan | 5,464 | 8,130 | (2,666) | (33) |
| Total | 45,994 | 42,845 | 3,149 | 7 |

Comptroller's Office
February 24, 1965

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PX 1491 824A



THREE YEAR TRENDS

PROFIT (LOSSES) BEFORE HEADQUARTERS EXPENSE - MAJOR TROPICAL DIVISIONS

(INCLUDES ENTIRE PROFIT ON BANANAS PLUS OTHER PRODUCTS SUCH AS CACAO, OIL PALM ETC.)

(THOUSANDS)

| | 1964 | 1963 | 1962 |
|---|---|---|---|
| Colombia - Santa Marta | $ (92) | $1,079 | $ 825 |
| - Turbo | (196) | - | - |
| Costa Rica (includes Quepos & Limon) | 5,165 | 3,946 | 6,951 |
| Dominican Republic | (749) | (478) | 1,467 |
| Ecuador | (1,474) | (2,259) | 1,361 |
| Guatemala East | (498) | 126 | 1,205 |
| Guatemala West | 1,806 | 211 | (815) |
| Honduras | 572 | 120 | 4,998 |
| Panama - Armuelles | 4,921 | 6,000 | 6,218 |
| - Bocas | 1,305 | 908 | (285) |

Comptroller's Office
February 24, 1965

PX 1494 825A

# COMPETITIVE IMPORTS (STEMS) – U.S. AND CANADA

(THOUSANDS OF STEMS)

2/7/64

PERIOD ENDING DECEMBER 31, 1963

| | MONTH | | PERIOD TO DATE | | INCREASE OR (DECREASE) | PERCENT INCREASE OR (DECREASE) |
|---|---|---|---|---|---|---|
| | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR | | |
| BY TROPICAL COUNTRIES | | | | | | |
| COSTA RICA-LIMON | 198.5 | 157.2 | 1,985.3 | 1,815.7 | 169.6 | 9.3 |
| DOMINICAN REPUBLIC | - | - | 526.9 | 211.0 | 315.9 | 149.7 |
| ECUADOR | 1,923.0 | 1,472.9 | 17,677.3 | 15,209.3 | 2,468.0 | 16.2 |
| GUATEMALA | - | .9 | .9 | .9 | - | - |
| HAITI | - | 21.1 | 130.4 | 211.6 | (81.2) | (38.4) |
| HONDURAS-CEIBA | 516.0 | 542.5 | 5,447.0 | 6,207.7 | (760.7) | (12.3) |
| MARTINIQUE | - | 7.7 | 244.6 | 18.3 | 226.3 | 1,236.6 |
| MEXICO | 29.6 | 25.2 | 552.0 | 358.6 | 193.4 | 53.9 |
| NICARAGUA | - | 8.9 | 15.0 | 58.1 | (43.1) | (74.2) |
| PANAMA | - | - | - | 38.8 | (38.8) | (100.0) |
| OTHER | 5.2 | 1.9 | 66.9 | 37.1 | 29.8 | 80.3 |
| TOTAL U.S. AND CANADA IMPORTS | 2,672.3 | 2,238.3 | 26,646.3 | 24,167.1 | 2,479.2 | 10.3 |
| TOTAL IMPORTS BY DIVISIONS | | | | | | |
| EAST | 889.9 | 661.5 | 8,334.1 | 7,871.1 | 463.0 | 5.9 |
| CENTRAL | 1,561.7 | 1,408.3 | 16,200.3 | 14,382.4 | 1,817.9 | 12.6 |
| WEST | 220.7 | 168.5 | 2,112.9 | 1,913.6 | 198.3 | 10.5 |
| TOTAL U.S. AND CANADA IMPORTS | 2,672.3 | 2,238.3 | 26,646.3 | 24,167.1 | 2,479.2 | 10.3 |
| DETAIL OF ECUADOR IMPORTS BY COMPANIES | | | | | | |
| STANDARD FRUIT AND STEAMSHIP CO. | 660.6 | - | 4,773.2 | - | 4,773.2 | - |
| STANDARD/ECUADORIAN FRUIT IMP. CO. | - | 458.6 | 826.8 | 5,277.7 | (4,450.9) | (84.3) |
| ECUADOR FRUIT IMPORTING CO. | 366.3 | 66.7 | 2,615.6 | 580.8 | 2,034.8 | 350.3 |
| SUB TOTAL | 1,026.9 | 525.3 | 8,215.6 | 5,858.5 | 2,357.1 | 40.4 |
| ATLANTIC BANANA | 101.2 | 254.6 | 1,120.3 | 1,354.3 | (234.0) | (17.3) |
| BANANA SUPPLY | 55.8 | 34.9 | 467.6 | 374.7 | 92.9 | 24.8 |
| CONTINENTAL FRUIT CO. | 176.4 | 187.9 | 2,007.1 | 1,938.8 | 68.3 | 3.5 |
| GULF BANANA | 48.1 | 78.0 | 635.5 | 553.8 | 81.7 | 14.8 |
| SOUTHERN BANANA | 67.5 | 56.5 | 619.8 | 565.7 | 54.1 | 9.6 |
| EFFO BANANA AND SALES | 159.0 | 126.0 | 1,556.3 | 1,704.4 | (148.1) | (8.7) |
| PARKER AND CO. | 130.3 | 135.9 | 1,479.6 | 1,560.6 | (81.0) | (5.2) |
| TROPICANA IMPORTING CO. | 23.9 | 21.8 | 360.5 | 105.8 | 254.7 | 240.7 |
| WEST INDIES FRUIT | 103.4 | 52.0 | 777.4 | 1,036.8 | (259.4) | (25.0) |
| OTHER | 30.5 | - | 437.6 | 155.9 | 281.7 | 180.7 |
| TOTAL ECUADOR IMPORTS | 1,923.0 | 1,472.9 | 17,677.3 | 15,209.3 | 2,468.0 | 16.2 |
| DETAIL OF STANDARD IMPORTS BY COUNTRIES | | | | | | |
| COSTA RICA-LIMON | 198.5 | 157.2 | 1,985.3 | 1,815.7 | 169.6 | 9.3 |
| DOMINICAN REPUBLIC | - | - | 10.1 | - | 10.1 | - |
| ECUADOR | 660.6 | - | 4,773.2 | -* | 4,773.2 | - |
| HONDURAS-CEIBA | 516.0 | 542.5 | 5,447.0 | 6,207.7 | (760.7) | (12.3) |
| TOTAL STANDARD IMPORTS | 1,375.1 | 699.7 | 12,215.6 | 8,023.4 | 4,192.2 | 52.2 |

*Not available as jointly handled with Ecuadorian Fruit Import Co.

Comptroller's Office
February 7, 1964

| | | |
|---|---|---|
| Br. Hond. | 31.2 | 6.6 |
| Colombia | 18.4 | - |
| Guadaloupe | 7.1 | - |
| Sp/ Hond. | 10.2 | 30.5 |
| | 66.9 | 37.1 |

PLAINTIFF'S EXHIBIT 826A

Px 1494 A

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# COMPETITIVE IMPORTS (STEMS) – U.S. AND CANADA

(THOUSANDS OF STEMS)

LG-1156

PERIOD ENDING DECEMBER, 1964

| | MONTH | | PERIOD TO DATE | | INCREASE OR (DECREASE) | PERCENT INCREASE OR (DECREASE) |
|---|---|---|---|---|---|---|
| | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR | | |
| BY TROPICAL COUNTRIES | | | | | | |
| COSTA RICA-LIMON | 230.1 | 198.5 | 2,647.1 | 1,985.3 | 661.8 | 33.3 |
| DOMINICAN REPUBLIC | 1.2 | | 42.0 | 526.9 | (484.9) | (92.0) |
| ECUADOR | 1,689.3 | 1,921.3 | 20,644.7 | 17,677.3 | 2,967.4 | 16.8 |
| GUATEMALA | - | - | - | .9 | (.9) | - |
| HAITI | - | - | - | 130.4 | (130.4) | - |
| HONDURAS-CEIBA | 480.0 | 518.0 | 5,080.1 | 5,447.0 | (366.9) | (6.7) |
| MARTINIQUE | 31.4 | 1.7 | 306.2 | 251.7 | 54.5 | 21.7 |
| MEXICO | 35.4 | 29.6 | 606.4 | 552.0 | 54.4 | 9.8 |
| NICARAGUA | - | - | - | 15.0 | (15.0) | - |
| PANAMA | - | - | - | - | - | - |
| OTHER | - | 3.2 | 74.4 | 59.8 | 14.6 | 24.4 |
| TOTAL U.S. AND CANADA IMPORTS | 2,467.4 | 2,672.3 | 29,400.9 | 26,646.3 | 2,754.6 | 10.3 |
| **TOTAL IMPORTS BY DIVISIONS** | | | | | | |
| EAST | 814.7 | 889.9 | 9,895.4 | 8,334.1 | 1,561.3 | 18.7 |
| CENTRAL | 1,459.9 | 1,561.7 | 17,425.3 | 16,200.3 | 1,225.0 | 7.6 |
| WEST | 192.8 | 220.7 | 2,080.2 | 2,111.9 | (31.7) | - |
| TOTAL U.S. AND CANADA IMPORTS | 2,467.4 | 2,672.3 | 29,400.9 | 26,646.3 | 2,754.6 | 10.3 |
| **DETAIL OF ECUADOR IMPORTS BY COMPANIES** | | | | | | |
| STANDARD FRUIT AND STEAMSHIP CO. | 660.6 | 660.6 | 7,131.3 | 4,773.2 | 2,358.1 | 49.4 |
| STANDARD/ECUADORIAN FRUIT IMP. CO. | - | - | - | 826.8 | (826.8) | - |
| ECUADOR FRUIT IMPORTING CO. | 259.1 | 366.3 | 3,449.0 | 2,615.6 | 833.4 | 31.9 |
| SUB TOTAL | 919.7 | 1,026.9 | 10,580.3 | 8,215.6 | 2,364.7 | 28.8 |
| ATLANTIC BANANA | 128.0 | 101.2 | 1,343.8 | 1,120.3 | 223.5 | 20.0 |
| BANANA SUPPLY | 42.4 | 55.8 | 467.6 | 467.6 | - | - |
| CONTINENTAL FRUIT CO. | 142.6 | 176.4 | 2,133.9 | 2,007.1 | 126.8 | 6.3 |
| GULF BANANA | 10.8 | 48.1 | 545.3 | 635.5 | (90.2) | (14.2) |
| SOUTHERN BANANA | 25.8 | 67.5 | 494.5 | 619.8 | (125.3) | (20.2) |
| EFFO BANANA AND SALES | 152.4 | 159.0 | 1,659.9 | 1,556.3 | 103.6 | 6.7 |
| PARKER AND CO. | 109.1 | 130.3 | 1,401.6 | 1,479.6 | (78.0) | (5.3) |
| TROPICANA IMPORTING CO. | - | 23.9 | 318.6 | 360.5 | (41.9) | (11.6) |
| WEST INDIES FRUIT | 136.5 | 103.4 | 1,287.2 | 777.4 | 509.8 | 65.6 |
| OTHER | 22.0 | 28.8 | 412.0 | 437.6 | (25.6) | (5.9) |
| TOTAL ECUADOR IMPORTS | 1,689.3 | 1,921.3 | 20,644.7 | 17,677.3 | 2,967.4 | 16.8 |
| **DETAIL OF STANDARD IMPORTS BY COUNTRIES** | | | | | | |
| COSTA RICA-LIMON | 231.0 | 198.5 | 2,648.0 | 1,985.3 | 662.7 | 33.4 |
| DOMINICAN REPUBLIC | - | - | - | 10.1 | (10.1) | |
| ECUADOR | 660.6 | 660.6 | 7,131.3 | 4,773.2 | 2,358.1 | 49.4 |
| HONDURAS-CEIBA | 480.0 | 518.0 | 5,080.1 | 5,447.0 | (366.9) | (6.7) |
| TOTAL STANDARD IMPORTS | 1,371.6 | 1,377.1 | 14,859.4 | 12,215.6 | 2,643.8 | 21.6 |

Comptroller's Office

Distribution: Messrs. Sunderland, Fox, Cornuelle, Carpenter, Hoelle, Miller, Hewitt, Jones, Kehoe, Kinsinger, Stickney, Tilley

PX 1495

827A

# COMPETITIVE ARRIVALS (STEMS) FOR MONTH ENDING DECEMBER 31, 1963

SOUTHERN DIVISION

| IMPORTER | COUNTRY OF ORIGIN | PERIOD | | | |
|---|---|---|---|---|---|
| | | THIS YEAR | | LAST YEAR | |
| | | | BOXES* | | BOXES* |
| BROWNSVILLE, TEXAS | | | | | |
| Panama Sales Co. | Mexico | 19300 | | 20700 | |
| Max Gerrick | " | 9000 | | | |
| Pan Am Foods Inc. | Dom. Rep. | | | 16700 | |
| " " | Mexico | 154700 | | 46600 | |
| " " | Nicaragua | | | 13800 | |
| " " | Panama | | | 23700 | |
| Pan American Panana Co. | Mexico | 24900 | | | |
| Port Industries Inc. | " | 137900 | | 100100 | |
| Southern Panana Corp. | " | 4800 | | | |
| Total | | 350600 | | 221600 | |
| CHARLESTON, S.C. | | | | | |
| Standard Fruit & SS Co. | Costa Rica | 6300 | 10000 | 44100 | 63300 |
| " " | Sp. Hond. | 398900 | 613400 | 749600 | 1124[illegible] |
| Total | | 405200 | 623400 | 793700 | 1188[illegible] |
| EL PASO, TEXAS | | | | | |
| Alex Alvarez | Mexico | 4100 | | | |
| Colima Panana Co. | " | 27100 | | 3600 | 700 |
| Dipp & Co. | " | 4800 | | 14200 | 1600 |
| Mike Dipp | " | 35500 | | | |
| Hobbs Panana Co. | " | 400 | | 30300 | 700 |
| Frank Hobbs | " | 2700 | | | |
| Rotalanti Brokerage Co. | " | 8400 | | | |
| World Import & Export Co. Ltd. | " | | | 2400 | 1500 |
| World Wide Shippers, Inc. | " | 17800 | | 17000 | |
| Morris Wechter | " | | | 15500 | |
| Total | | 100800 | | 83000 | 4500 |
| GALVESTON, TEXAS | | | | | |
| Ecuadorian Fr. Impt. Corp. | Ecuador | 23800 | 37900 | | |
| Southern Panana Corp. | " | 586300 | 99900 | 21300 | 750 |
| West Indies Fruit Co. | " | 484800 | 265100 | 830000 | 37400 |
| Standard Fr & SS Co. | Costa Rica | | | 33300 | 5000 |
| Total | | 1094900 | 402900 | 892600 | 94900 |
| GULFPORT, MISS. | | | | | |
| Ecuadorian Fr. Impt. Corp. | Dom. Rep. | 23600 | 11300 | | |
| " " | Ecuador | 1128800 | 956500 | | |
| Effo Panana & Sales | " | 1556300 | 786300 | 1642700 | 109500 |
| Gulf Panana Co. | " | 42000 | 5100 | | |
| Standard Fr. & S.S. Co. | " | 43800 | | 21000 | |
| Total | | 2794500 | 1759200 | 1666700 | 109500 |
| HOUSTON, TEXAS | | | | | |
| Southern Banana Corp. | Ecuador | | | 544400 | 54000 |
| West Indies Fruit Co. | " | | | 23600 | |
| Total | | | | 568000 | 54000 |

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PX 1495

828A

COMPETITIVE ARRIVALS (STEMS) FOR MONTH ENDING DECEMBER 31, 1963

SOUTHERN DIVISION



| IMPORTER | COUNTRY OF ORIGIN | PERIOD | | | |
|---|---|---|---|---|---|
| | | THIS YEAR | | LAST YEAR | |
| | | | BOXES* | | BOXES* |
| JACKSONVILLE, FLA. | | | | | |
| Atlantic Banana Co. | Ecuador | 405900 | 216700 | | |
| Banana Dist. Co. | " | 71300 | | | |
| Ecuadorian Fruit Impt. Co. | " | 58500 | 92300 | | |
| Exportador Bananera Noboa | " | 27200 | | | |
| Gulf Banana Co. | " | 186100 | 34000 | | |
| Southern Banana Corp. | " | 33500 | | | |
| Total | | 782500 | 343000 | | |
| LAREDO, TEXAS | | | | | |
| Banana Sales Co. | Mexico | 66600 | | 83800 | |
| General Grubbs | " | 4200 | 6600 | | |
| Gonzales Produce Co. | " | | | 3200 | |
| Eric Rath | " | 1100 | 1700 | | |
| Port Industries Inc. | " | 28700 | | 21200 | |
| Total | | 100600 | 8300 | 108200 | |
| MIAMI, FLA. | | | | | |
| Alabama Fruit & Prod. | Sp. Hond. | 800 | 1200 | | |
| Banana Supply Co. Inc. | Dom. Rep. | | | 11200 | |
| " " | Ecuador | 467600 | | 374700 | |
| " " | Haiti | 7000 | | 8100 | |
| Banana Town | Dom. Rep. | 3000 | | | |
| " " | Haiti | 10900 | | | |
| Continental Fr. Co. Inc. | Martiniquo | 18000 | 27200 | | |
| D'Asti | Colombia | 6400 | 8700 | | |
| Ecuadorian Fr. Impt. Corp. | Dom. Rep. | 9200 | 5800 | | |
| Missy Corp. | " " | | | 3000 | |
| Tropic Gold Fruit Co. | " " | | | 52800 | |
| Total | | 522900 | 42900 | 449000 | |
| MOBILE, ALA. | | | | | |
| Alabama Fruit & Prod. Co. | Br. Hond. | 30600 | 47800 | 6600 | 10000 |
| " " | Ecuador | | | 155900 | 83634 |
| " " | Nicaragua | | | 16200 | 17200 |
| " " | Sp. Hond. | 7400 | | | |
| Total | | 38000 | 47800 | 178700 | 110834 |
| NEW ORLEANS, LA. | | | | | |
| Ecuadorian Fr. Impt. Corp. | Ecuador | 238300 | 138600 | | |
| Effo Banana & Sales | " | | | 61700 | 22300 |
| Standard Fr & SS Co. | Costa Rica | 1969000 | 3106300 | 1648600 | 2600900 |
| " " | Ecuador | 2131100 | 109300 | | |
| " " | Sp. Hond. | 2323000 | 3643700 | 2606600 | 3801900 |
| Standard Fruit - Joint Arrangements with Others | Ecuador | | | 1378100 | 9400 |
| Total | | 6661400 | 6997900 | 5695200 | 6435000 |

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PX 1495 829A

COMPETITIVE ARRIVALS (STEMS) FOR MONTH ENDING DECEMBER 31, 1953

SOUTHERN DIVISION



| IMPORTER | COUNTRY OF ORIGIN | PERIOD | | | |
|---|---|---|---|---|---|
| | | THIS YEAR | | LAST YEAR | |
| | | | BOXES* | | BOXES* |
| SAVANNAH, GA. | | | | | |
| Sunrise Panama Co. | Guadeloupe | 900 | 1500 | | |
| Total | | 900 | 1500 | | |
| TAMPA, FLA. | | | | | |
| Atlantic Banana Co. | Dom. Rep. | 6600 | | 19300 | |
| " " | Colombia | 8300 | 12400 | | |
| " " | Ecuador | 714400 | 286700 | 1354300 | 49000 |
| Banana Supply Co. Inc. | Dom. Rep. | | | 3100 | 4500 |
| D'Asti | Colombia | 3700 | 5900 | | |
| Ecuadorian Fr. Impt. Corp. | Dom. Rep. | 143200 | 41700 | | |
| " " | Ecuador | 74500 | 48000 | | |
| Gulf Banana Co. | " | 407400 | 43800 | 553800 | 4500 |
| Gulf Southern Corp. | Dom. Rep. | | | 53400 | 4300 |
| " " | Nicaragua | 5600 | | 28100 | |
| " " | Panama | | | 15100 | |
| " " | Sp. Hond. | | | 9700 | |
| Hamilton Bros. Inc. | Br. Hond. | 600 | | | |
| " " | Guatemala | 900 | | | |
| " " | Nicaragua | 2200 | | | |
| " " | Sp. Hond. | 2000 | | 20800 | |
| Parker Banana Co. | Ecuador | 1479600 | | 1560600 | |
| Prevor Meyrsohn Intl. Inc. | " | 129600 | | | |
| Arthur Swartz | Guadeloupe | 1700 | 2600 | | |
| Southern Shipping Corp. | Nicaragua | 7200 | 8200 | | |
| Tropic Gold Fruit Co. | Guatemala | | | 900 | |
| Tropicana Impt. Co. | Ecuador | 360500 | 51400 | 105000 | |
| Total | | 3348000 | 500700 | 3724900 | 62300 |
| Grand Total | | 16200300 | 10727600 | 14382400 | 8056634 |

* Number of boxes, the stem equivalent of which is included in stems.

Distribution:
Wm. F. Tilley, Jr. (Original - Airmail)
J. H. Reddy
W. B. Mason
V. J. Merritt
E. F. Sperl, Jr.
File

ED IN U.S.A.

PX 1496 PLAINTIFF'S EXHIBIT 830A

COMPETITIVE ARRIVALS (ITEMS) FOR MONTH ENDING DECEMBER 31, 1963

WESTERN DIVISION

| IMPORTER | COUNTRY OF ORIGIN | PERIOD | |
|---|---|---|---|
| | | THIS YEAR | LAST YEAR |
| LOS ANGELES, CALIF. | | | |
| Standard Fruit & Steamship Co. | Ecuador | 1,717,600 | 1,203,150 |
| SAN FRANCISCO, CALIF. | | | |
| Standard Fruit & Steamship Co. | Ecuador | 394,300 | 710,400 |
| | | 2,111,900 | 1,913,550 |
| | | 356,395 Bxs. | |

San Francisco, Calif.
12/31/63

Mr. Wm. F. Tilley
Mr. W. B. Mason
Mr. J. H. Reddy

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W. F. TILLEY

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Ceiba PLAINTIFF 4,220.4 1,092.7

PX 1497

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831A

COMPETITIVE ARRIVALS (TIMED) FOR MONTH ENDING December 1963

EASTERN DIVISION

| IMPORTER | COUNTRY OF ORIGIN | PERIOD | THIS YEAR | PERIOD | LAST YEAR |
|---|---|---|---|---|---|
| New York, N.Y. | | | | | |
| Continental Fruit Co., Inc. | Martinique | (1) | 146,900 | (1) | 16,600 |
| " " " " | Ecuador | (2) | 1,350,500 | (2) | 1,281,600 |
| Ecuadorian Fruit Imptg.Corp. | " | (3) | 1,036,400 | (3) | 540,700 |
| " " " " | Santo Domingo | (4) | 331,200 | | |
| Standard Fruit & SS Co. | Honduras | (5) | 2,725,100 | (4) | 2,851,300 |
| " " " " | Ecuador | (6) | 1,313,200 | | |
| " " " " | Costa Rica | (7) | 10,000 | (5) | 89,700 |
| " " " " | Sta.Domingo | (8) | 10,100 | | |
| " " " "& Ecuadorian | | | | | |
| Fruit Imptg.Corp. | " | | | (6) | 45,000 |
| " " " " | Ecuador | | | | 1,962,000 |
| West Indies Fruit Co. | " | (9) | 289,800 | (7) | 175,200 |
| " " " " | Guadelupe | (10) | 4,500 | | |
| Prevor-Meyrsohn Int.Inc. | Ecuador | (11) | 208,500 | | |
| | Total | | 7,426,200 | | 6,962,100 |
| Baltimore, Md. | | | | | |
| Continental Fruit Co., Inc. | Ecuador | (12) | 656,600 | (8) | 657,200 |
| " " " " | Martinique | (13) | 79,700 | (9) | 1,700 |
| Ecuadorian Fruit Imptg.Corp. | Ecuador | (14) | 55,300 | | 40,100 |
| Prevor-Meyrsohn Int.Inc. | " | (15) | 1,000 | | |
| West Indies Fruit Co. | " | (16) | 2,800 | | |
| | Total | | 795,400 | | 699,000 |
| Norfolk, Va. | | | | | |
| West Indies F & SS Co. | Haiti | (17) | 78,100 | (10) | 166,000 |
| " " " " | Lacatan | (18) | 34,400 | (11) | 37,500 |
| | Sto.Domingo | | | | 6,500 |
| | Total | | 112,500 | | 210,000 |
| | Grand Total | | 8,334,100 | | 7,871,100 |

| | | 1963 | | | |
|---|---|---|---|---|---|
| (1) | Includes | 24,929 | Boxes | (1) Includes | 22[illegible],771 Boxes |
| (2) | " | 2,353 | " | (2) " | 37[illegible],179 " |
| (3) | " | 53,701 | " | (3) " | 57[illegible],825 " |
| (4) | " | 4,249,976 | " | (4) " | 30,200 " |
| (5) | " | 134,512 | " | (5) " | 4,2[illegible],968 " |
| (6) | " | 2,000 | " | (6) " | 15[illegible],435 " |
| (7) | " | 8,774 | " | (7) " | 15,940 " |
| (8) | " | 1,627 | " | (8) " | 15,024 " |
| (9) | " | 2,600 | " | (9) " | 2[illegible],131 " |
| (10) | " | 18,291 | " | (10) " | [illegible],220 " |
| (11) | " | 20,493 | " | (11) " | 18[illegible],581 " |
| | | | | (12) " | [illegible] " |
| | | | | (13) " | [illegible] " |
| | | | | (14) " | [illegible],758 " |
| | | | | (15) " | [illegible],000 " |
| | | | | (16) " | [illegible],700 " |
| | | | | (17) " | 21,012 " |
| | | | | (18) " | 24,005 " |

Messrs. W.F.Tilley, Jr.
J.H.Roddy
V.J.Hewitt

Comptroller's Office
January 8, 1964

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W. F. TILLEY

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PX 1499 MAR 11 1960 8324 CORRECTED REPORT. Sheet 1

COMPETITIVE ARRIVALS (STEMS) FOR MONTH ENDING DECEMBER, 1959

SOUTHERN DIVISION LG-2363

| IMPORTER | COUNTRY OF ORIGIN | PERIOD | |
|---|---|---|---|
| | | THIS YEAR | LAST YEAR |
| BROWNSVILLE, TEXAS | | | |
| Continental Banana Co. | Mexico | | 1200 |
| Heiple & Corsaro Impt. Co. | Guatemala | | 8200 |
| Hobbs Banana Co. | Mexico | | 2000 |
| Kent Fruit Impt. Co. Inc. | Colombia | 4400 | |
| Pan Am. Foods Inc. | Mexico | 355900 | 234200 |
| Pan American Banana Co. Inc | " | | 18700 |
| Valley Banana Co. | " | 231900 | 312500 |
| Various | " | | 5500 |
| West Indies Frt. Co. | " | 40700 | |
| Total | | 632900 | 582300 |
| CHARLESTON, S.C. | | | |
| Standard Fruit & S.S. Co. | Ecuador | 156800 | 226200 |
| " " " " | Guatemala | 30300 | 106000 |
| " " " " | Sp. Honduras | 417500 | 628400 |
| Total | | 604600 | 960600 |
| EL PASO, TEXAS | | | |
| Dipp & Co. | Mexico | 114100 | 149000 |
| Hobbs Banana Co. | " | 150100 | 181900 |
| Romney Prod. Co. | " | 800 | |
| Total | | 265000 | 330900 |
| GALVESTON, TEXAS | | | |
| West Indies Fruit Co. | Colombia | | 31700 |
| " " " " | Dom. Rep. | | 5800 |
| " " " " | Ecuador | 901200 | 629100 |
| " " " " | Mexico | 30300 | |
| Total | | 931500 | 666600 |
| HOUSTON, TEXAS | | | |
| Story J. Sloane | Guatemala * | 600 | |
| Total | | 600 | |
| JACKSONVILLE, FLA. | | | |
| Dixie Banana Co. | Martinique | | 10800 |
| Total | | | 10800 |

CALCULATIONS F.D.Co.N.O. Comp. #3 VERIFIED

* Originally reported as Mexico instead of Guatemala

PX 1419

1902 (1-57)

833A

# COMPETITIVE ARRIVALS (STEMS) FOR MONTH ENDING DECEMBER, 1959

2365

SOUTHERN DIVISION

| IMPORTER | COUNTRY OF ORIGIN | PERIOD | |
|---|---|---|---|
| | | THIS YEAR | LAST YEAR |
| **O, TEXAS** | | | |
| & Co. | Mexico | | 18300 |
| alez Prod. Co. | " | 1900 | |
| as Hickey | " | 1500 | 5900 |
| s Banana Co. | " | | 14700 |
| edo Mesa | " | 14700 | |
| co Frt. Impt. Co. | " | 31000 | |
| edo Pelegrine | " | 1000 | |
| ico Pelegrine | " | 14300 | |
| ico Rate | " | 600 | |
| ical Panana Co. | " | 1000 | |
| Total | | 66000 | 38900 |
| **, FLA.** | | | |
| tic Banana Co. | Colombia | | 5400 |
| a Supply Co. Inc. | " | 20500 | 28500 |
| " " | Dom. Rep. | 123900 | 410100 |
| " " | Ecuador | 269300 | |
| " " | Sp. Hond. | | 9200 |
| Banana Co. | Martinique | | 9400 |
| enkins Shpg. Co. | Dom. Rep. | | 5400 |
| Fruit Co. | Costa Rica | 110500 | 146700 |
| " | Haiti | | 14200 |
| c Gold Fruit Co. | Colombia | 65900 | |
| " " " | Haiti | 2400 | 5900 |
| " " " | Jamaica | | 69100 |
| d Banana Co. | Colombia | | 147800 |
| Indies Fruit Co. | Colombia | 226500 | 38500 |
| " " " | Dom. Rep. | 70600 | 5500 |
| Total | | 889600 | 895700 |
| **, ALA.** | | | |
| Fruit Co. Inc. | Ecuador | 24800 | |
| & Atkins | Br. Honduras | | 17400 |
| " | Mexico | 449000 | 443500 |
| " | Sp. Honduras | 23900 | |
| Total | | 497700 | 460900 |
| **LEANS, LA.** | | | |
| Fruit Co. Inc. | Ecuador | 1421000 | 1102800 |
| anana & Sales | " | 1516600 | 40600 |
| la Fr. Shpg.Corp. | " | 57100 | 1679000 |
| rd Fruit & S.S.Co. | Costa Rica | 38500 | |
| " " " | Ecuador | 1978500 | 1473400 |
| " " " | Guatemala | 1132000 | 695500 |
| " " " | Sp. Hond. | 2142400 | 2485700 |
| Total | | 8288100 | 7477000 |

CALCULATIONS F.D.Co.N.O. Comp. 93 VERIFIED

PX1499

834A

(1902) (1-57)

# COMPETITIVE ARRIVALS (STEMS) FOR MONTH ENDING DECEMBER, 1959

2366

SOUTHERN DIVISION

| IMPORTER | COUNTRY OF ORIGIN | PERIOD | |
|---|---|---|---|
| | | THIS YEAR | LAST YEAR |
| . EVERGLADES, FIA. | | | |
| ntinental Fruit Co. Inc. | Ecuador | 21300 ✓ | |
| andard Fruit & S.S.Co. | " | | 38200 |
| " " " | Sp. Hond. | | 94500 |
| st Indies Fr.Co. Inc. | Ecuador | 4400 | |
| Total | | 25700 | 132700 |
| . PETERSBURG, FIA. | | | |
| sus Cardoso | Guatemala | | 3200 |
| Total | | | 3200 |
| MPA, FIA. | | | |
| lantic Banana Co. | Colombia | | 27900 |
| " " " | Ecuador | 865100 | 745500 |
| " " " | Mexico | 14600 | |
| ntinental Fruit Co. | Colombia | 57800 ✓ | 39300 |
| " " " | Ecuador | 132600 ✓ | 28800 |
| w Jenkins Shpg. Co. | Dom. Rep. | 5800 | 58600 |
| stern Banana Co. Inc. | Ecuador | 637700 | |
| lf Southern Corp. | Br. Honduras | 500 | |
| " " " | Costa Rica | 46100 | 1200 |
| " " " | Nicaragua | 4500 | 25400 |
| " " " | Sp. Hond. | 50300 | 115700 |
| milton Bros. Inc. | Costa Rica | 90200 | 90600 |
| " " " | Ecuador | 70300 | 91900 |
| " " " | Guatemala | 24200 | 13800 |
| " " " | Nicaragua | 101900 | 61400 |
| nt Fruit Impt.Co. Inc. | Colombia | | 14000 |
| mon Fruit Co. Inc. | Costa Rica | 49500 | 11300 |
| rker Banana Co. | Ecuador | 1345100 | 922300 |
| andard Fruit & S.S.Co. | Costa Rica | 198800 ✓ | 2300 |
| " " " | Sp. Hond. | 22600 ✓ | 40000 |
| ppic Gold Fruit Co. | Colombia | 41200 | |
| " " " " | Costa Rica | | 5000 |
| " " " " | Haiti | 2800 | |
| " " " " | Jamaica | | 6200 |
| ppical Impt. Co. | Colombia | 4300 | 2000 |
| " " " | Ecuador | 29800 | 29800 |
| Total | | 3795700 | 2333500 |
| | GRAND TOTAL | 15997400 | 13,893,100 |

CALCULATIONS F.D.C.A.O. Comp. 9 Inspected

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PX 1305 MAR 8 1965

# COMPETITIVE BANANA ARRIVALS

PERIOD ENDING [illegible] 1964 DIVISION Eastern

835A

| PORT AND CONSIGNEE | FROM | THIS YEAR WHOLE STEMS | THIS YEAR BOXED FRUIT NUMBER OF BOXES | THIS YEAR BOXED FRUIT STEM EQUIVALENT | LAST YEAR WHOLE STEMS | LAST YEAR BOXED FRUIT NUMBER OF BOXES | LAST YEAR BOXED FRUIT STEM EQUIVALENT |
|---|---|---|---|---|---|---|---|
| New York, N.Y. | | | | | | | |
| ntinental Ft.Co.Inc. | Martinique | | 80,000 | 50,100 | | 229,771 | 146,900 |
| " " " " | Ecuador | 471,500 | 1828,600 | 1132,700 | 1116,400 | 374,179 | 234,100 |
| " " " " | Lacatan(Mart) | | 243,500 | 152,300 | | | |
| uadorian Ft.Impt.Corp. | Ecuador | 151,650 | 1763,450 | 1112,200 | 676,600 | 578,825 | 359,800 |
| " " " " | Sto.Domingo | | | | 312,400 | 30,200 | 18,800 |
| andard F & SS Co. | Honduras | | 4311,295 | 2694,900 | | 4294,968 | 2725,100 |
| " " " " | Ecuador | 322,000 | 3480,450 | 2175,300 | 1215,900 | 155,435 | 97,300 |
| " " " " | Costa Rica | | 404,770 | 253,000 | | 15,940 | 10,000 |
| " " " " | Sto.Domingo | | | | | 15,024 | 10,100 |
| st Indies Ft.Co. | Ecuador | 1,100 | 500,400 | 313,200 | 132,600 | 251,131 | 157,200 |
| ever-Mayrschn Int.Inc. | " | 21,600 | 84,300 | 53,100 | 91,300 | 187,581 | 117,200 |
| vantino-Foreign Ft.Co. | " | 52,950 | 170,650 | 105,700 | | | |
| st Indies Ft.Co. | Guadeloupe | | | | | 7,200 | 4,500 |
| ppic Gold Impt. | Sto.Domingo | | 2,000 | 1,200 | | | |
| Total | | 1020,800 | 12869,415 | 8044,700 | 3545,200 | 6140,254 | 3881,000 |
| Baltimore, Md. | | | | | | | |
| ntinental Ft.Co.Inc. | Ecuador | 161,700 | 588,919 | 368,000 | 567,600 | 142,450 | 89,000 |
| " " " " | Martinique | | 23,600 | 14,800 | | 126,807 | 79,700 |
| " " " " | Lacatan(Mart) | | 142,500 | 89,000 | | | |
| adorian Ft.Imptg.Corp. | Ecuador | | 306,800 | 191,600 | 26,200 | 46,758 | 29,100 |
| t Indies Fruit Co. | " | | | | 500 | 3,700 | 2,300 |
| ver-Mayrschn-Int.Inc. | " | | | | | 1,600 | 1,000 |
| Total | | 161,700 | 1061,819 | 663,400 | 594,300 | 321,315 | 201,100 |
| Norfolk, Va. | | | | | | | |
| t India Ft.Co. | Haiti | | | | 64,700 | 21,012 | 13,400 |
| " " " | Lacatan | | | | 19,500 | 24,005 | 14,900 |
| ver-Mayrschn. Int.Inc. | Sto.Domingo | 1,600 | 5,000 | 3,200 | | | |
| Total | | 1,600 | 5,000 | 3,200 | 84,200 | 45,017 | 28,300 |
| GRAND TOTAL | | 1184,100 | 13936,234 | 8711,300 | 4223,700 | 6506,586 | 4110,400 |

rs. W. F. Tilley, Jr.
J. H. Roddy
V. J. Hewitt
R. W. Berry

troller's Office
ary 7, 1965

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PX No 2

# COMPETITIVE BANANA ARRIVALS

PERIOD ENDING December 31, 1964 DIVISION Western

| PORT AND CONSIGNEE | FROM | THIS YEAR | | | LAST YEAR | | |
|---|---|---|---|---|---|---|---|
| | | WHOLE STEMS | BOXED FRUIT | | WHOLE STEMS | BOXED FRUIT | |
| | | | NUMBER OF BOXES | STEM EQUIVALENT | | NUMBER OF BOXES | STEM EQUIVALENT |
| S ANGELES, CALIF. | | | | | | | |
| ndard Fruit & amship Company | Ecuador | 1,116,900 | 1,452,900 | 908,000 | 1,538,800 | 286,010 | 178,800 |
| FRANCISCO, CALIF. | | | | | | | |
| ndard Fruit & amship Company | Ecuador | 36,300 | 30,500 | 19,000 | 350,300 | 70,385 | 44,000 |
| | | 1,153,200 | 1,483,400 | 927,000 | 1,889,100 | 356,395 | 222,800 |

n Francisco, Calif.
nuary 6, 1965

. Wm. F. Tilley
. W. B. Mason
. J. R. Roddy
. R. W. Berry

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PX 1502 1-837-A

# COMPETITIVE ARRIVALS (STEMS) FOR MONTH ENDING DECEMBER 31, 1962

EASTERN DIVISION

| IMPORTER | COUNTRY OF ORIGIN | PERIOD | |
|---|---|---|---|
| | | THIS YEAR | LAST YEAR |
| **New York, N.Y.** | | | |
| tinental Fruit Co., Inc. | Ecuador | (1) 1,281,600 | (1) 1,648,100 |
| " " " " | Martinique | (2) 16,600 | |
| " " " " | Santo Domingo | | (2) 6,200 |
| " " " " | Colon | | 9,500 |
| adorian Frt. Imptg. Corp. | Ecuador | (3) 540,700 | (3) 288,000 |
| ndard Fruit & S.S. Co. | Ecuador | | 35,000 |
| " " " " " | Honduras | (4) 2,851,300 | (4) 2,878,200 |
| " " " " " | Guatemala | | (5) 55,600 |
| " " " " " | Costa Rica | (5) 89,700 | |
| ndard Fruit & S.S. Co.-Joint rangements With Others | Ecuador | 1,962,000 | (6) 1,989,800 |
| ndard Fruit & S.S. Co.-And uadorian Frt. Imptg. Corp. | Santo Domingo Dom. Rep. | (6) 45,000 | |
| t Indies Fruit Company | Ecuador | (7) 175,200 | 139,200 |
| | Total | 6,962,100 | 7,049,600 |
| **Philadelphia, Pa.** | | | |
| tinental Fruit Co., Inc. | Santo Domingo | | (7) 2,200 |
| **Baltimore, Md.** | | | |
| tinental Fruit Co., Inc. | Ecuador | (8) 657,200 | 690,300 |
| " " " " | Martinique | (9) 1,700 | |
| adorian Frt. Imptg. Corp. | Ecuador | 40,100 | 56,600 |
| | Total | 699,000 | 746,900 |
| **Norfolk, Va.** | | | |
| t Indies Fruit & S.S. Co. | Haiti | (10) 166,000 | 159,500 |
| " " " " " | Haiti-Lacatan | (11) 37,500 | |
| " " " " " | Santo Domingo Dom Rep. | 6,500 | 15,100 |
| | Total | 210,000 | 174,600 |
| | GRAND TOTAL | 7,871,100 | 7,973,300 |

| 1962 | | 1961 | | |
|---|---|---|---|---|
| Includes | 2,353 Boxes | (1) Includes | 4,747 | Boxes |
| " | 24,929 Boxes | (2) " | 3,500 | Boxes |
| " | 53,701 Boxes | (3) " | 20 | Boxes |
| " | 4,249,976 Boxes | (4) " | 4,194,887 | Boxes |
| " | 134,512 Boxes | (5) " | 606 | Boxes |
| " | 2,000 Boxes | (6) " | 40 | Boxes |
| " | 8,774 Boxes | (7) " | 2,191 | Boxes |
| " | 1,627 Boxes | | | |
| " | 2,600 Boxes | | | |
| " | 18,291 Boxes | | | |
| " | 20,493 Boxes | | | |

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JAN 3 1963
W. F. TILLEY

COMPT 12

Messrs. W.F. Tilley, Jr.
J.H. Roddy
L.S. Carpenter

Comptroller's Office
January 3, 1963

PX 1503 828A LG-2376

1962 (1-57)

# COMPETITIVE ARRIVALS (STEMS) FOR MONTH ENDING DECEMBER 31, 1962

SOUTHERN DIVISION

| IMPORTER | COUNTRY OF ORIGIN | PERIOD | |
|---|---|---|---|
| | | THIS YEAR | LAST YEAR |
| **CWNSVILLE, TEXAS** | | | |
| nana Sales Co. | Mexico | 20700 | 38500 |
| n Am Foods Inc. | Dom. Rep. | 16700 | |
| " " | Mexico | 46600 | 95400 |
| " " | Nicaragua | 13800 | |
| " " | Panama | 23700 | |
| rt Industries Inc. | Mexico | 100100 | 202800 |
| ank Zambito | " | | 800 |
| Total | | 221600 | 337500 |
| **RLESTON, S.C.** | | | |
| ndard Fr & SS Co | Costa Rica | 44100 | 10200 |
| " " | Sp. Hond. | 749600 | 757800 |
| Total | | 793700 | 768000 |
| **PASO, TEXAS** | | | |
| lima Banana Co. | Mexico | 3600 | 88500 |
| cp & Co. | " | 14200 | 12200 |
| obs Banana Co. | " | 30300 | 124900 |
| nney Prod. Co. | " | | 7600 |
| rris Wechter | " | 15500 | |
| rld Import & Export Co. Ltd. | " | 2400 | |
| rld Wide Shippers, Inc. | " | 17000 | |
| Total | | 83000 | 233200 |
| **VESTON, TEXAS** | | | |
| st Indies Fruit Co. | Colombia | | 8400 |
| " | Costa Rica | | 5300 |
| " | Ecuador | 859300 | 1002300 |
| " | Guatemala | | 39300 |
| ndard Fr. & SS Co. | Costa Rica | 33300 | |
| Total | | 892600 | 1055300 |
| **FPORT, MISS.** | | | |
| o Banana & Sales | Ecuador | 1642700 | 1526200 |
| ndard Fr & ~~SS Co~~ W/O | " | 24000 | |
| Total | | 1666700 | 1526200 |
| **STON, TEXAS** | | | |
| thern Banana Corp. | Ecuador | 544400 | 95600 |
| t Indies Fruit Co. | " | 23600 | 17500 |
| Total | | 568000 | 113100 |
| **EDO, TEXAS** | | | |
| hony Amirillo | Mexico | | 2300 |
| ana Sales Co. | " | 83800 | 119500 |
| zalez Produce Co. | " | 3200 | |
| t Industries Inc. | " | 21200 | 20900 |
| Total | | 108200 | 142700 |
| **I, FLA.** | | | |
| ana Supply Co. Inc. | Dom. Rep. | 11200 | 12500 |
| " " | Ecuador | 374700 | 369700 |
| " " | Guatemala | | 18200 |
| " " | Haiti | 8100 | |
| f Banana Co. | Ecuador | | 173400 |

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JAN 10 19
W. E. TILLEY

F.D.C.R.S. CHARLESTON

PX 1503

839A

2377

COMPETITIVE ARRIVALS (STEMS) FOR MONTH ENDING DECEMBER 31, 1962

SOUTHERN DIVISION

Sheet # 2

| IMPORTER | COUNTRY OF ORIGIN | PERIOD | |
|---|---|---|---|
| | | THIS YEAR | LAST YEAR |
| AMI, FLA. (Continued) | | | |
| milton Bros. Inc. | Dom. Rep. | | 600 |
| avana | " | | 6000 |
| sy Corp. | " | 3000 | |
| pic Gold Fruit Co. | " | 52800 | |
| " " | Haiti | | 5300 |
| Total | | 449800 | 585700 |
| BILE, ALA. | | | |
| bama Fruit & Prod. Co. | Br. Hond. | 6600 | 7500 |
| " " | Dom. Rep. | | 23100 |
| " " | Ecuador | 155900 | |
| " " | Nicaragua | 16200 | 15100 |
| " " | Panama | | 4300 |
| " " | Sp. Hond. | | 6200 |
| Total | | 178700 | 56200 |
| ORLEANS, LA. | | | |
| es Fruit Co. Inc. | Ecuador | | 577300 |
| o Banana & Sales | " | 61700 | 193200 |
| ndard Fr & SS Co. | Costa Rica | 1648600 | 1473100 |
| " " | Ecuador | | 899500 |
| ndard Fruit - Joint Arrange- | | | |
| ts with Others | " | 1373100 | |
| ndard Fruit & SS Co. | Guatemala | | 924100 |
| " " | Sp. Hond. | 2606800 | 1676100 |
| Total | | 5695200 | 5743300 |
| PA, FLA. | | | |
| antic Banana Co. | Colombia | | 142000 |
| " " | Dom. Rep. | 19300 | 412600 |
| " " | Ecuador | 1354300 | 1169600 |
| | Guatemala | | 34200 |
| ana Supply Co. | Dom. Rep. | 3100 | |
| f Banana Co. | Ecuador | 553800 | 166400 |
| f Southern Corp. | Dom. Rep. | 53400 | 20600 |
| " " | Nicaragua | 28100 | 10000 |
| " " | Panama | 15100 | 25000 |
| " " | Sp. Hond. | 9700 | 16500 |
| ilton Bros. Inc. | Costa Rica | | 7600 |
| " " | Haiti | | 14000 |
| " " | Nicaragua | | 45000 |
| | Sp. Hond. | 20800 | 7500 |
| ker Banana Co. | Ecuador | 1560600 | 1496800 |
| ic Gold Fruit Co. | Guatemala | 900 | |
| icana Impt. Co. | Ecuador | 105800 | |
| Total | | 3724900 | 3567800 |

F.D.C.A. Form 83

PX 1504 840A LG-2312

COMPETITIVE ARRIVALS (STEMS) FOR MONTH ENDING DECEMBER 30, 1961

[illegible] SOUTHERN DIVISION

| IMPORTER | COUNTRY OF ORIGIN | PERIOD | |
|---|---|---|---|
| | | THIS YEAR | LAST YEAR |
| **BROWNSVILLE, TEXAS** | | | |
| Panama Sales Co. | Mexico | 38500 | 54400 |
| Pan Am Foods Inc. | Costa Rica | | 37400 |
| " " | Guatemala | | 3900 |
| " " | Mexico | 95400 | 31700 |
| " " | Sp. Hond. | | 26600 |
| Port Industries Inc. | Mexico | 202800 | 125400 |
| Frank Zambito | " | 800 | |
| Total | | 337500 | 279400 |
| **CHARLESTON, S.C.** | | | |
| Standard Fruit & SS Co. | Costa Rica | 10200 | 4700 |
| " " | Ecuador | | 97400 |
| " " | Sp. Hond. | 757800 | 457100 |
| Total | | 768000 | 559200 |
| **EL PASO, TEXAS** | | | |
| Colima Banana Co. | Mexico | 88500 | |
| Dipp & Co. | " | 12200 | 68300 |
| Mike Diaz | " | | 3100 |
| Hobbs Banana Co. | " | 124900 | 65600 |
| Romney Produce Co. | " | 7600 | 3600 |
| Total | | 233200 | 140600 |
| **GALVESTON, TEXAS** | | | |
| West Indies Fruit Co. | Colombia | 8400 | 26100 |
| " " | Costa Rica | 5300 | |
| " " | Ecuador | 1002300 | 917900 |
| " " | Guatemala | 39300 | |
| Total | | 1055300 | 944000 |
| **GULFPORT, MISS.** | | | |
| Eastern Banana Co. Inc. | Ecuador | 1526200 | 14300 |
| Effo Banana & Sales | " | | 281400 |
| Gulf Banana Co. | Guatemala | | 1400 |
| Triangle D Banana Co. | | | |
| Total | | 1526200 | 297100 |
| **HOUSTON, TEXAS** | | | |
| Southern Banana Corp. | Ecuador | 95600 | |
| West Indies Fruit Co. | " | 17500 | |
| Total | | 113100 | |
| **LAREDO, TEXAS** | | | |
| Anthony Amirillo | Mexico | 2300 | 25700 |
| Banana Sales Co. | " | 119500 | 1200 |
| Baldomara Mesa | " | | 3200 |
| Port Industries Inc. | " | 20900 | |
| Total | | 142700 | 30100 |

CALCULATIONS F.D.Co. R.S. Comp. & D VERIFIED

U.S.A.

PX 1504

1902 (1-57)

841A

COMPETITIVE ARRIVALS (STEMS) FOR MONTH ENDING DECEMBER 30, 1961

SOUTHERN DIVISION

Sheet # 2

| IMPORTER | COUNTRY OF ORIGIN | PERIOD | |
|---|---|---|---|
| | | THIS YEAR | LAST YEAR |
| MIAMI, FLA. | | | |
| Banana Supply Co. Inc. | Dom. Rep. | 12500 | 19200 |
| " " | Ecuador | 369700 | 379900 |
| " " | Guatemala | 18200 | 2700 |
| Gulf Banana Co. | Ecuador | 173400 | 26400 |
| Hamilton Bros. Inc. | Dom. Rep. | 600 | |
| Miavana | Dom. Rep. | 6000 | |
| Tropic Gold Fruit Co. | Colombia | | 42000 |
| " " | Haiti | 5300 | 26100 |
| West Indies Fruit Co. | Dom. Rep. | | 53300 |
| Total | | 585700 | 549600 |
| MOBILE, ALA. | | | |
| Alabama Fruit & Prod. Co. | Br. Hond. | 7500 | |
| " " | Dom. Rep. | 23100 | 6400 |
| " " | Nicaragua | 15100 | |
| " " | Panama | 4300 | |
| " " | Sp. Hond. | 6200 | |
| Greene & Atkins | Dom. Rep. | | 34200 |
| " " | Sp. Hond. | | 2000 |
| Triangle D Banana Co. | Guatemala | | 1300 |
| Total | | 56200 | 43900 |
| NEW ORLEANS, LA. | | | |
| Andes Fruit Co., Inc. | Ecuador | 577300 | 1599400 |
| Effo Banana & Sales | " | 193200 | 1742200 |
| Gulf Banana Co. | " | | 76100 |
| Standard Fr & SS Co. | Costa Rica | 1473100 | 732400 |
| " " | Ecuador | 899500 | 1522100 |
| " " | Guatemala | 924100 | 1590500 |
| " " | Sp. Hond. | 1676100 | 1439300 |
| Total | | 5743300 | 8702000 |
| TAMPA, FLA. | | | |
| Atlantic Banana Co. | Colombia | 142000 | 113500 |
| " " | Dom. Rep. | 412600 | 121300 |
| " " | Ecuador | 1169600 | 893800 |
| " " | Guatemala | 34200 | |
| " " | Mexico | | 25800 |
| Eastern Banana Co. Inc. | Ecuador | | 146600 |
| Gulf Banana Co. | " | 166400 | |
| Gulf Southern Corp. | Colombia | | 5100 |
| " " | Costa Rica | | 40900 |
| " " | Dom. Rep. | 20600 | |
| " " | Nicaragua | 10000 | 26000 |
| " " | Panama | 25000 | |
| " " | Sp. Hond. | 16500 | 90800 |
| Hamilton Bros. Inc. | Costa Rica | 7600 | 72600 |
| " " | Ecuador | | 11200 |
| " " | Haiti | 14000 | |
| " " | Nicaragua | 45000 | 113200 |
| " " | Sp. Hond. | 7500 | |

CIRCULATION F.D.C.A. H.Q. Camp. 63 RECEIVED

8A

PX 1504

COMPETITIVE ARRIVALS (STEMS) FOR MONTH ENDING DECEMBER 30, 1961

SOUTHERN DIVISION

Sheet # 3

| IMPORTER | COUNTRY OF ORIGIN | PERIOD | |
|---|---|---|---|
| | | THIS YEAR | LAST YEAR |
| TAMPA, FLA. (Continued) | | | |
| Parker Banana Co. | Ecuador | 1496800 | 1501300 |
| Standard Fruit & SS Co. | Sp. Hond. | | 77200 |
| Tropicana Impt. Co. | Ecuador | | 74400 |
| West Indies Fruit Co., Inc. | Colombia | | 5600 |
| " " | Dom. Rep. | | 6200 |
| Total | | 3567800 | 3325500 |
| WEST PALM BEACH, FLA. | | | |
| West Indies Fruit & SS Co. | Haiti | 4900 | |
| Total | | 4900 | |
| Grand Total | | 14133900 | 14871400 |

F.B.Co.R.O. Comp. #2

Distribution:
Wm. F. Tilley, Jr. (Original - Airmail)
J. H. Roddy
E. F. Sporl, Jr.
File

PX 1505 Mar 843A

L6-2375

COMPETITIVE ARRIVALS (STEMS) FOR MONTH ENDING DEC. 30, 1961

WESTERN DIVISION

| IMPORTER | COUNTRY OF ORIGIN | PERIOD | |
|---|---|---|---|
| | | THIS YEAR | LAST YEAR |
| G BEACH, CALIFORNIA | | | |
| tral American Fruit & ana Co. | Guatemala | - | 9,100 |
| ANGELES, CALIF. | | | |
| ndard Fruit & Steamship Co. | Ecuador | 1,240,700 | 466,400 |
| FRANCISCO, CALIF. | | | |
| ndard Fruit & Steamship Co. | " | 534,400 | - |
| | | 1,775,100 | 475,500 |
| | BOXES | | |
| ANGELES, CALIF. | | | |
| ndard Fruit & Steamship Co. | | 8,100 | |

Francisco, Calif.
/62

. - Mr. Wm. A. Tilley

PX 1506 814A

COMPETITIVE ARRIVALS (STATUS) FOR MONTH ENDING December 31, 1960

PLAINTIFF'S EXHIBIT 36 Eastern DIVISION

| IMPORTER | COUNTRY OF ORIGIN | PERIOD | |
|---|---|---|---|
| | | THIS YEAR | LAST YEAR |
| NEW YORK, N.Y. | | | |
| Andes Fruit & Produce Co. | Ecuador | - | 544600 |
| Banana Distributors Inc. | Colon | 13200 | 158100 |
| " " " | Colombia | - | 6600 |
| " " " | Ecuador | - | 117700 |
| Continental Fruit Co., Inc. | Ecuador | * 2105200 | 690200 |
| " " " " | Colon | 128500 | |
| " " " " | Dutch Guiana | 600 | |
| Sam Curatola Banana Co. | Colon | - | 8600 |
| R. Dixon & Co. Inc. | Ecuador | | 94000 |
| Ecuadorian Fruit Importing Co. | Ecuador | 1216500 | 554800 |
| L. Kurtz | Colon | 43800 | 113200 |
| National Banana Distributors | Ecuador | - | 627100 |
| Standard Fruit & S.S. Co. | Ecuador | 1040200 | 1997300 |
| " " " " " | Guatemala | 50900 | |
| " " " " " | Honduras | ** 2246800 | 1932500 |
| Standard Fruit & S.S. Co. & Ecuadorian Fruit Impt. Co. | Ecuador | 1064100 | |
| West Indies Fruit & S.S. Co. | Colombia | 47000 | 67500 |
| " " " " | Ecuador | # 160600 | 161800 |
| | TOTAL | 8117400 | [illegible] |
| PHILADELPHIA, PA. | | | |
| Continental Fruit Co., Inc. | Martinique | ## 1800 | |
| Ecuadorian Fruit Importing Co. | Ecuador | - | 401800 |
| | TOTAL | 1800 | 401800 |
| BALTIMORE, MD. | | | |
| Andes Fruit & Produce Co. | Ecuador | - | 16000 |
| Continental Fruit Co., Inc. | Ecuador | 723650 | 237800 |
| " " " | Martinique | o 700 | |
| R. Dixon & Co., Inc. | Ecuador | - | 4500 |
| Ecuadorian Fruit Impt. Co. | Ecuador | - | 31500 |
| | TOTAL | 724350 | 289800 |
| NORFOLK, VA. | | | |
| West India Fruit & S.S. Co. | Santo Domingo | 217000 | |
| " " " " " | Haiti | 43000 | 344100 |
| " " " " " | Ecuador | - | 15000 |
| | TOTAL | 260000 | 359100 |
| | GRAND TOTAL | 9103550 | 8127700 |

Mr. W.F. Tilley, Jr.
Mr. J.H. Roddy

New York, N.Y.
January 6, 1961

* Includes 1488 Boxes
** " 995562 "
\# " 80 "
\#\# " 2700 "
o " 1001 "

9103650

PRINTED IN U.S.A.

PX 150 8775A

PLAINTIFF
MAR 1 1974

TOTAL YEAR 1961-1960 (Thousand Stems)

| TROPICAL COUNTRIES | 1961 | 1960 | Increase | % Increase |
|---|---|---|---|---|
| Ceiba | 5,312.1 | 4,220.4 | 1,091.7 | |
| Colombia | 150.4 | 239.3 | 88.9 | |
| Panama | 38.8 | 185.5 | 146.7 | |
| Dom. Rep. | 498.9 | 457.6 | 41.3 | |
| Ecuador | 14,309.6 | 16,061.1 | 1,751.5 | |
| Guatemala | 1,071.4 | 1,659.8 | 588.4 | |
| Haiti | 183.7 | 69.1 | 114.6 | |
| Limon, Costa Rica | 1,496.2 | 888.0 | 608.2 | |
| Mexico | 713.4 | 408.0 | 305.4 | |
| Nicaragua | 70.1 | 139.2 | 69.1 | |
| Other | 37.7 | 122.5 | 84.8 | |
| TOTAL U. S. & CANADA | 23,882.3 | 24,450.5 | 568.2 | 2 |
| | | | | |
| Detail of Ecuador Imports by Companies: | | | | |
| Standard Fruit & S/S Corp. | 2,709.6 | 3,126.1 | 416.5 | |
| Standard/Ec.Frt.Imp.Co. | 1,989.8 | 1,064.1 | 925.7 | |
| Andes Fruit & Prod. Co. | 577.3 | 1,599.4 | 1,022.1 | |
| Atlantic Banana | 1,169.6 | 893.8 | 275.8 | |
| Banana Supply | 369.7 | 379.9 | 10.2 | |
| Continental Fr. Co. | 2,338.4 | 2,828.9 | 490.5 | |
| Eastern Banana | - | 160.9 | 160.9 | |
| Ecuad. Ft. Imp. Co. | 344.6 | 1,216.5 | 871.9 | |
| Effo Banana & Sales | 1,719.4 | 1,742.2 | 22.8 | |
| Parker & Co. | 1,496.8 | 1,501.3 | 4.5 | |
| W. I. Fruit | 1,159.0 | 1,078.5 | 80.5 | |
| Other | 435.4 | 469.5 | 34.1 | |
| TOTAL ECUADOR | 14,309.6 | 16,061.1 | 1,751.5 | 11 |
| | | | | |
| SECTIONS - BY COMPANIES | | | | |
| EAST - Standard Fruit & S/S Corp. | 2,968.8 | 3,337.9 | 369.1 | |
| Standard/Ec.Frt.Imp.Co. | 1,989.8 | 1,064.1 | 925.7 | |
| Continental Fr. Co. | 2,356.3 | 2,960.5 | 604.2 | |
| Ecuad. Fr. Imp. Co. | 344.6 | 1,216.5 | 871.9 | |
| W. I. Fruit Co. | 139.2 | 207.6 | 68.4 | |
| W. I. F. & SS Co. | 174.6 | 260.0 | 85.4 | |
| Other | - | 57.0 | 57.0 | |
| TOTAL EAST | 7,973.3 | 9,103.6 | 1,130.3 | 12 |
| | | | | |
| SOUTH- Standard Fruit & S/S Corp. | 5,740.8 | 5,920.7 | 179.9 | |
| Andes Fruit & Prod. Co. | 577.3 | 1,599.4 | 1,022.1 | |
| Effo Banana & Sales | 1,719.4 | 1,742.2 | 22.8 | |
| Other Florida Imp. | 4,158.4 | 3,707.0 | 451.4 | |
| Mexican | 713.4 | 408.0 | 305.4 | |
| W. I. Fruit Co. | 1,072.8 | 1,009.1 | 63.7 | |
| Other | 151.8 | 485.0 | 333.2 | |
| TOTAL SOUTH | 14,133.9 | 14,871.4 | 737.5 | 5 |
| | | | | |
| WEST - Standard (Ecuad.) | 1,775.1 | 466.4 | 1,308.7 | |
| Other (Guat.) | - | 9.1 | 9.1 | |
| | | | | |
| TOTAL U. S. & CANADA | 23,882.3 | 24,450.5 | 568.2 | 2 |
| tail of Standard Imports by Countries: | | | | |
| iba | 5,312.1 | 4,220.4 | 1,091.7 | |
| atemala | 979.7 | 1,641.4 | 661.7 | |
| uador | 2,709.6 | 3,126.1 | 416.5 | |
| sta Rica | 1,483.3 | 737.1 | 746.2 | |
| TOTAL STANDARD | 10,484.7 | 9,725.0 | 759.7 | 7 |

(See Reverse Side)

COMPETITIVE IMPORTS TO U. S. & CANADA

(Thousand Stems)

| TROPICAL COUNTRIES | 1960 | 1959 | Increase | % Increase |
|---|---|---|---|---|
| Cuba | 4,220.4 | 4,515.0 | 294.6 | |
| Colombia | 239.3 | 494.7 | 255.4 | |
| Haiti | 185.5 | 279.9 | 94.4 | |
| Dom. Rep. | 457.6 | 544.4 | 86.8 | |
| Guatemala | 16,061.1 | 14,930.7 | 1,130.4 | |
| Haiti | 1,659.8 | 1,187.1 | 472.7 | |
| Honduras, Costa Rica | 69.1 | 5.2 | 63.9 | |
| Mexico | 888.0 | 533.6 | 354.4 | |
| Nicaragua | 408.0 | 1,456.9 | 1,048.9 | |
| Panama | 139.2 | 106.4 | 32.8 | |
| Other | 122.5 | 74.7 | 47.8 | |
| TOTAL U. S. & CANADA | 24,450.5 | 24,128.6 | 321.9 | 1 |

Detail of Ecuador Imports by Companies

| | | | | |
|---|---|---|---|---|
| Standard Fruit & S/S Corp. | 3,126.1 | 4,132.6 | 1,006.5 | |
| Standard/Ec.Fr.Imp. Co. | 1,064.1 | - | 1,064.1 | |
| Andes Fruit & Prod. Co. | 1,599.4 | 2,006.4 | 407.0 | |
| Atlantic Banana | 893.8 | 865.1 | 28.7 | |
| Banana Supply | 379.9 | 269.3 | 110.6 | |
| Continental Frt. Co. | 2,828.9 | 1,081.9 | 1,747.0 | |
| Eastern Banana | 160.9 | 637.7 | 476.8 | |
| Ecuad.Ft.Imp. Co. | 1,216.5 | 988.1 | 228.4 | |
| Effo Banana & Sales | 1,742.2 | 1,518.6 | 223.6 | |
| Fisher & Co. | 1,501.3 | 1,345.1 | 156.2 | |
| Other Fruit | 1,078.5 | 1,070.4 | 8.1 | |
| Other | 469.5 | 1,015.5 | 546.0 | |
| TOTAL ECUADOR | 16,061.1 | 14,930.7 | 1,130.4 | 8 |

ATICS - BY COMPANIES

| | | | | |
|---|---|---|---|---|
| - Standard Fruit & S/S Corp. | 3,337.9 | 3,929.8 | 591.9 | |
| Standard/Ec.Fr.Imp.Co. | 1,064.1 | - | 1,064.1 | |
| Andes Fruit & Prod. Co. | - | 560.6 | 560.6 | |
| Banana Distr. | 13.2 | 282.4 | 269.2 | |
| Continental Fr. Co. | 2,960.5 | 928.0 | 2,032.5 | |
| Ecuad.Fr.Imp. Co. | 1,216.5 | 988.1 | 223.4 | |
| National Banana Dist. | - | 627.1 | 627.1 | |
| W. I. Fruit Co. | 207.6 | 232.3 | 24.7 | |
| W. I. F. & S/S Co. | 260.0 | 359.1 | 99.1 | |
| Other | 43.8 | 220.3 | 176.5 | |
| TOTAL EAST | 9,103.6 | 8,127.7 | 975.9 | 12 |
| -Standard Fruit & S/S Co. | 5,920.7 | 6,117.4 | 196.7 | |
| Andes Fruit & Prod. | 1,599.4 | 1,445.8 | 153.6 | |
| Continental Fr. Co. | - | 211.7 | 211.7 | |
| Effo Banana & Sales | 1,742.2 | 1,518.6 | 223.6 | |
| Other Florida Imp. | 3,707.0 | 3,961.8 | 254.8 | |
| Mexican | 408.0 | 1,453.4 | 1,045.4 | |
| W. I. Fruit Co. | 1,009.1 | 1,202.7 | 193.6 | |
| Other | 485.0 | 86.0 | 399.0 | |
| TOTAL SOUTH | 14,871.4 | 15,997.4 | 1,126.0 | 7 |
| | 475.5 | 3.5 | 472.0 | |
| TOTAL U. S. & CANADA | 24,450.5 | 24,128.6 | 321.9 | 1 |

f Standard Imports by Countries

| | | | | |
|---|---|---|---|---|
| | 4,220.4 | 4,515.0 | 294.6 | |
| | 1,641.4 | 1,162.3 | 479.1 | |
| ca | 3,126.1 | 4,132.6 | 1,006.5 | |
| | 737.1 | 237.3 | 499.8 | |
| TOTAL STANDARD | 9,725.0 | 10,047.2 | | |

verse side)

[RETYPE OF PX 1509A] 847A

Mr. Houston

COMPETITIVE IMPORTS TO U.S. & CANADA
TOTAL YEAR - 1962-1961 (Thousand Stems)

| By Tropical Countries | 1962 | 1961 | Increase | Increase |
|---|---|---|---|---|
| Ceiba | 6,207.7 | 5,312.1 | 895.6 | |
| Colombia | - | 150.4 | 150.4 | |
| Panama | 38.8 | 38.8 | - | |
| Dom. Republic | 211.0 | 498.9 | 287.9 | |
| Ecuador | 15,209.3 | 14,309.6 | 899.7 | |
| Guatemala | .9 | 1,071.4 | 1,070.5 | |
| Haiti | 211.6 | 183.7 | 27.9 | |
| Limon, Costa Rica | 1,815.7 | 1,496.2 | 319.5 | |
| Mexico | 358.6 | 713.4 | 354.8 | |
| Nicaragua | 58.1 | 70.1 | 12.0 | |
| Other | 55.4 | 37.7 | 17.7 | |
| TOTAL U.S. & CANADA | 24,167.1 | 23,882.3 | 284.8 | 1 |
| **Detail of Ecuador Imports by Companies** | | | | |
| Standard w/others | 5,277.7 | 4,699.4 | 578.3 | |
| Andes Fruit & Prod. Co. | - | 577.3 | 577.3 | |
| Atlantic Banana | 1,354.3 | 1,169.6 | 184.7 | |
| Banana Supply | 374.7 | 369.7 | 5.0 | |
| Continental Fruit Co. | 1,938.8 | 2,338.4 | 399.6 | |
| Southern Banana | 544.4 | 95.6 | 448.8 | |
| Ecuad. Ft. Imp. Co. | 580.8 | 344.6 | 236.2 | |
| Effo Banana & Sales | 1,704.4 | 1,719.4 | 15.0 | |
| Parker & Co. | 1,560.6 | 1,496.8 | 63.8 | |
| W. I. Fruit | 1,058.1 | 1,159.0 | 100.9 | |
| Other | 815.5 | 339.8 | 475.7 | |
| TOTAL ECUADOR | 15,209.3 | 14,309.6 | 899.7 | 6 |
| **BY SECTIONS - BY COMPANIES** | | | | |
| EAST - Standard Fruit & S/S | 2,941.0 | 2,933.8 | 7.2 | |
| Standard w/others | 2,007.0 | 2,024.8 | 17.8 | |
| Continental Fr. Co. | 1,957.1 | 2,356.3 | 399.2 | |
| Ecuad. Fr. Imp. Co. | 580.8 | 344.6 | 236.2 | |
| W.I. Fruit Co. | 181.7 | 139.2 | 42.5 | |
| W.I. Fr. S/S Co. | 203.5 | 174.6 | 28.9 | |
| Other | - | - | - | |
| TOTAL EAST | 7,871.1 | 7,973.3 | 102.2 | 1 |
| SOUTH- Standard Fruit & S/S | 5,082.4 | 4,841.3 | 241.1 | |
| - Standard w/others | 1,402.1 | 899.5 | 502.6 | |
| Andes Fruit & Prod. Co. | - | 577.3 | 577.3 | |
| Effe Banana & Sales | 1,704.4 | 1,719.4 | 15.0 | |
| Other Florida | 4,174.7 | 4,158.4 | 16.3 | |
| Mexican | 358.6 | 713.4 | 354.8 | |
| W.I. Fruit | 882.9 | 1,072.8 | 189.9 | |
| Southern Banana | 544.4 | 95.6 | 448.8 | |
| Other | 232.9 | 56.2 | 176.7 | |
| TOTAL SOUTH | 14,382.4 | 14,133.9 | 248.5 | 2 |
| WEST - Standard w/others | 1,913.6 | 1,775.1 | 138.5 | 7 |
| TOTAL U.S. & CANADA | 24,167.1 | 23,882.3 | 284.8 | 1 |

January 11, 1963

(See Reverse Side)

PX 1517 PLAINTIFF'S EXHIBIT MAR 11 1963 848A

47

496

MEMORANDUM

January 26, 1961

Mr. Scowcroft:

Attached hereto are two copies of analysis of banana sales in the United States and Canada for the year 1960.

Statistics are shown relating to shipments by tropical division and port of discharge in the United States separately for stems sold, weight sold, total sales and average sales per one hundred pounds.

J. Peacock

1/27

PX 15849A

RESTRICTED

1/26/61

U.S. AND CANADA

| ile | Charleston | Los Angeles | San Francisco | Seattle | Total |
|---|---|---|---|---|---|
| 310,665 | 386,460 | 2,593,646 | 88,342 | 44,190 | 7,660,251 |
| 346,291 | | | | | 756,358 |
| 96,253 | 200,738 | 42,420 | 1,266,338 | 1,705,324 | 8,353,804 |
| 3,444 | 122,242 | 770,742 | 301,295 | 168,780 | 4,721,854 |
| 118,362 | 33,868 | | | | 522,161 |
| 705,224 | 150,185 | | | | 3,356,716 |
| 750,955 | 272,474 | | | | 4,858,278 |
| 439,570 | 209,904 | | | | 2,156,503 |
| 730,764 | 1,375,871 | 3,406,808 | 1,655,975 | 1,918,294 | 32,385,930 |
| 861,195 | 31,136,460 | 206,911,535 | 7,416,835 | 3,530,675 | 616,027,740 |
| 290,845 | | | | | 59,081,995 |
| 411,105 | 13,939,470 | 3,239,775 | 93,349,420 | 127,335,720 | 636,737,365 |
| 908,340 | 10,232,270 | 62,909,565 | 24,275,395 | 13,728,665 | 382,196,010 |
| 360,685 | 2,568,630 | | | | 38,194,895 |
| 061,375 | 12,342,250 | | | | 263,209,500 |
| 875,845 | 22,190,230 | | | | 388,612,253 |
| 263,220 | 13,269,580 | | | | 142,363,055 |
| 032,610 | 105,678,890 | 273,060,875 | 125,041,650 | 144,595,060 | 2,526,422,813 |
| 3,057.17 | $1,737,674.56 | $14,307,634.85 | $ 449,750.93 | $ 272,587.42 | $ 37,472,329.36 |
| 1,161.65 | | | | | 2,685,487.03 |
| -553.75 | | | | | -1,700.62 |
| 2,440.36 | 713,749.77 | 197,028.53 | 6,409,362.04 | 9,724,848.80 | 34,632,515.31 |
| 3,340.48 | 528,437.23 | 3,950,627.69 | 1,419,318.36 | 916,248.32 | 21,075,105.61 |
| 4,939.24 | 151,696.00 | | | | 1,782,215.19 |
| 0,247.54 | 612,701.58 | | | | 11,978,807.11 |
| 3,567.57 | 1,139,350.83 | | | | 19,267,104.42 |
| 4,417.35 | 632,072.73 | | | | 5,835,296.13 |
| 2,617.61 | $5,515,682.70 | $18,455,291.07 | $8,278,431.33 | $10,913,684.54 | $134,727,159.54 |
| 5.91 | 5.58 | 6.91 | 6.06 | 7.72 | 6.08 |
| 4.55 | | | | | 4.55 |
| 3.86 | 5.12 | 6.08 | 6.87 | 7.64 | 5.44 |
| 5.12 | 5.16 | 6.28 | 5.85 | 6.67 | 5.51 |
| 4.01 | 5.91 | | | | 4.67 |
| 4.12 | 4.96 | | | | 4.55 |
| 4.13 | 5.13 | | | | 4.96 |
| 4.22 | 4.76 | | | | 4.10 |
| 4.45 | 5.22 | 6.76 | 6.62 | 7.55 | 5.33 |

PX 1517

850A

BANANA SALES STATISTI
YEAR 1

| | | New York | Baltimore | New Orleans | |
|---|---|---|---|---|---|
| tems Sold | Armuelles | 3,829,712 | 193,371 | 213,865 | |
| | Bocas | 13,333 | 53,463 | 313,271 | |
| | Colombia | | | | |
| | Ecuador | 1,787,232 | 317,582 | 2,547,917 | |
| | Golfito | 1,462,922 | 65,709 | 1,256,720 | |
| | Guat. East | 90,558 | 167,670 | 111,703 | |
| | Guat. West | 871,019 | 1,125,736 | 504,552 | |
| | Honduras | 1,111,557 | 1,821,116 | 902,176 | |
| | Dom. Rep. | 363,276 | 967,899 | 175,859 | |
| Total | | 9,529,609 | 4,712,546 | 6,056,063 | |
| ight Sold | Armuelles | 310,141,590 | 15,154,970 | 16,874,480 | |
| | Bocas | 938,150 | 4,128,940 | 26,724,060 | |
| | Colombia | | | | |
| | Ecuador | 139,470,290 | 22,629,180 | 199,362,405 | |
| | Golfito | 120,815,350 | 5,042,170 | 99,284,255 | |
| | Guat. East | 6,585,500 | 12,422,780 | 8,257,300 | |
| | Guat. West | 67,626,740 | 88,508,590 | 39,670,545 | |
| | Honduras | 87,413,963 | 145,976,370 | 73,155,845 | |
| | Dom. Rep. | 24,258,180 | 63,828,760 | 11,743,315 | |
| Total | | 757,249,763 | 357,691,760 | 475,072,205 | 2 |
| les | Armuelles | $17,458,060.37 | $ 834,156.09 | $ 944,407.97 | $ 1, |
| | Bocas | 62,008.35 | 249,901.01 | 1,132,416.02 | 1, |
| | Colombia | -396.87 | -750.00 | | |
| | Ecuador | 6,098,599.26 | 970,047.02 | 9,076,439.53 | 1, |
| | Golfito | 6,572,486.89 | 229,781.64 | 5,109,865.00 | 2, |
| | Guat. East | 311,692.90 | 590,773.35 | 393.113.70 | |
| | Guat. West | 3,290,258.51 | 3,943,624.41 | 1,86[illegible],975.07 | 2, |
| | Honduras | 4,539,943.33 | 6,998,484.12 | 4,115,758.57 | 2, |
| | Dom. Rep. | 950,210.52 | 2,523,752.43 | 494,843.10 | 1, |
| Total | | $39,282,863.26 | $16,339,770.07 | $23,128,818.96 | $12, |
| . Sales Per 100 Lbs. | Armuelles | 5.63 | 5.50 | 5.60 | |
| | Bocas | 6.61 | 6.05 | 4.24 | |
| | Colombia | | | | |
| | Ecuador | 4.37 | 4.29 | 4.55 | |
| | Golfito | 5.44 | 4.56 | 5.15 | |
| | Guat. East | 4.73 | 4.76 | 4.76 | |
| | Guat. West | 4.87 | 4.46 | 4.69 | |
| | Honduras | 5.19 | 4.79 | 5.63 | |
| | Dom. Rep. | 3.92 | 3.95 | 4.21 | |
| Total | | 5.19 | 4.57 | 4.87 | |

ptroller's Office
ary 26, 1961

851A

PX 1518 PLAINTIFF'S EXHIBIT JAN 29 1974

Judgment (Ripley Action).

At a Special Term of the Supreme Court of the State of New York, held in and for the County of New York, at Trial Term, Part 7 the Courthouse in the County of Bronx, City of New York, on the 14th day of December 1957.

Present: HON. ERNEST E. L. HAMMER,
*Referee.*

[SAME TITLE]

The issues in the above entitled action having been brought on for trial before Mr. Justice Ernest E. L. Hammer, at Special Term, Part 4, of the Supreme Court in New York County on March 23, 1953, and continued from

PX 1518 852A



time to time thereafter up to December 31, 1954, when Justice Hammer's tenure of office terminated by retirement per force of the age limitation of Article 6, Section 19, of the Constitution of the State of New York; thereupon by written stipulations of all the parties dated November 16, 1954 and January 3, 1955, and on application to the Supreme Court, at Special Term Part 1, an Order having been duly made and entered by Mr. Justice Benedict D. Dineen, on the 5th day of January, 1955, referring the action and all the issues therein and matters incidental thereto, to Hon. E. L. Hammer, as Referee, to hear and determine in accordance with the said stipulations and Order; and the trial of this action, as commenced and resumed from time to time, having consumed 176 trial days during the years 1953 through 1956 and the parties hereto having duly entered general appearances by their respective attorneys, and the allegations and proofs of the parties having been heard and due deliberation having been had thereon, and the Referee having duly made and filed his Report and Decision in writing on the 27th day of June, 1957, and Findings of Fact and Conclusions of Law having been made on August 24, 1957, and having directed the entry of judgment thereon as hereinafter stated,

NOW, THEREFORE, it is

1. ORDERED, ADJUDGED AND DECREED, that defendant United Fruit Company is indebted to defendant International Railways of Central America in the sum of $2,462,122.75 in respect of bananas shipped by Compania Argicola de Guatemala, a subsidiary of defendant United Fruit Company, from the west coast of Guatemala to Puerto Barrios Guatemala during the period from January 1, 1946 through December 31, 1955, said sum of $2,462,122.75 representing damages caused by defendant United Fruit Company to defendant International Railways of Central America in

PX 1518

853A



respect of such shipments in breach of its fiduciary obligation and representing an unjust enrichment of defendant United Fruit Company in the same amount, all as found in the report and decision herein; and it is further

2. ORDERED, ADJUDGED AND DECREED, that defendant United Fruit Company is indebted to defendant International Railways of Central America in the sum of $708,575.24 in respect of bananas shipped by defendant United Fruit Company from points in eastern Guatemala in and about Bananera to Puerto Barrios Guatemala during the period from February 14, 1943 through December 31, 1955, said sum of $708,575.24 representing damages caused by defendant United Fruit Company to defendant International Railways of Central America in respect of such shipments in breach of its fiduciary obligation and representing an unjust enrichment of defendant United Fruit Company in the same amount, all as found in the report and decision herein; and it is further

3. ORDERED, ADJUDGED AND DECREED, that defendant United Fruit Company is indebted to defendant International Railways of Central America in the sum of $317,389.50 in respect of import shipments of materials and supplies, except diesel oil, of Compania Agricola de Guatemala during the period from April 1, 1946 through December 31, 1955, said sum of $317,389.50 representing damages caused by defendant United Fruit Company to defendant International Railways of Central America in respect of such shipments and representing an unjust enrichment of defendant United Fruit Company in the same amount, all as found in the Report and Decision herein; and it is further

4. ORDERED, ADJUDGED AND DECREED, that defendant United Fruit Company is indebted to defendant International Railways of Central America in the sum of $916,267.27 as

PX 1518 854A



interest at 4% to June 27, 1957, from the respective dates when the sums making up the amounts of indebtedness set forth in paragraphs '1', '2' and '3' above should have been paid by defendant United Fruit Company to defendant International Railways of Central America, all as found in the report and decision herein, and interest at 6% from June 27, 1957 to the date hereof, amounting to $126,700.62, pursuant to Section 480 of the Civil Practice Act; and it is further

5. ORDERED, ADJUDGED AND DECREED, that defendant International Railways of Central America recover of defendant United Fruit Company the sum of $4,404,354.76, being the aggregate of the respective amounts of indebtedness set forth in paragraphs '1', '2' and '3' and the amount of $916,267.27 stated in paragraph '4' together with interest thereon as above amounting to $126,700.62, amounting in all to $4,531,055.38; and it is further

6. ORDERED, ADJUDGED AND DECREED, that defendant International Railways of Central America have judgment against defendant United Fruit Company in the sum of $4,404,354.76; and interest thereon as above amounting to $126,700.62, amounting in all to the total sum of $4,531,055.38; and that execution may issue therefor; and it is further.

7. ORDERED, ADJUDGED AND DECREED, that except as necessarily required to accord with the construction thereof stated in the decision herein of June 27, 1957 and determined by this judgment the terms and provisions of the agreements which were litigated in this action, placed in evidence therein and set forth and referred to in said decision, are and shall continue to be up to the dates provided therein for termination, valid and binding on and between the parties thereto; and it is further

PX 1518 855A



*Judgment (Ripley Action).*

8. ORDERED, ADJUDGED AND DECREED, that the rates and charges as in said decision stated and by this judgment determined in the absence of application in respect thereof as of and after December 31, 1955 shall continue as stated in said decision and as determined by this judgment in the ratio of increases so stated and determined until such rates and charges are equal to the same or similar rates promulgated for and charged by defendant International Railways of Central America to the general public; and that

(a) equity and fair dealing require that on and after December 31, 1955, the fiduciary defendant, United Fruit Company, pay to defendant International Railways of Central America 15⅓¢ per stem for transportation of bananas for export from points in eastern Guatemala in and about Bananera to Puerto Barrios, Guatemala, said payment to be made until such time as defendant International Railways of Central America promulgates a different rate or charge to the general public for such transportation in which event and at such time defendant United Fruit Company shall pay the same rate or charge as promulgated for the general public;

(b) equity and fair dealing require that Compania Agricola de Guatemala (a subsidiary of the fiduciary defendant United Fruit Company) pay to defendant International Railways of Central America, and United Fruit Company is directed to cause such payment, $120 per car of bananas for export of said Compania Agricola de Guatemala transported from the west coast of Guatemala to Puerto Barrios, Guatemala, during the period January 1, 1956 through December 31, 1956 and, $125 per car for the period January 1, 1957 through December 31, 1957, respectively;

(c) equity and fair dealing require that Compania Agricola de Guatemala (a subsidiary of the fiduciary defendant

PX 1518 856A



United Fruit Company) pay to defendant International Railways of Central America $130 per car of bananas for export of said Compania Agricola de Guatemala transported from the west coast of Guatemala to Puerto Barrios, Guatemala, during the period on and after January 1, 1958, said payment to be made until such time as defendant International Railways of Central America promulgates a rate or charge to the general public for transportation of bananas for export from the west coast of Guatemala to Puerto Barrios, Guatemala, different from the $130 car rate or charge presently applicable to the general public for such transportation, in which event and at such time Compania Agricola de Guatemala shall pay for such transportation the same rate or charge as promulgated for the general public;

(d) equity and fair dealing require that in respect of banana shipments of defendant United Fruit Company and its subsidiary Compania Agricola de Guatemala, after December 31, 1955, said companies shall continue to provide, at their own cost, for the operation of the removal of bananas from the cars and their placement aboard ship; except that said defendants and International Railways of Central America may enter into such other fair and equitable agreement in respect of said operation and payment therefor as they may be advised;

(e) equity and fair dealing require that in respect of import shipments after December 31, 1955, of materials and supplies (except diesel oil) of Compania Agricola de Guatemala (a subsidiary of the fiduciary defendant United Fruit Company) said Compania Agricola de Guatemala pay to defendant International Railways of Central America for such transportation of such import shipments an interim rate of 10% above the rate during 1955 in accordance with the rate computed from the Referee's decision herein, and said rate to increase annually by 10%

PX 1518 857A



of the 1946 year's rate as stated in the decision of June 27, 1957 and determined by this judgment until the public tariff rate on each shipment then in force and effect is reached and thereafter the same rates or charges as promulgated by defendant International Railways of Central America for the general public;

(f) no determination is made herein as to ownership, now or in the future, of the locomotives and banana cars furnished to International Railways of Central America under the contract with Compania Agricola de Guatemala; and it is further

9. ORDERED, ADJUDGED AND DECREED, that should any question arise between the parties in respect of increase of the said rates or charges, or in respect of the ratio of increases, so stated and determined or in respect of change in economic conditions claimed or alleged to be inferior to such economic conditions existing during and as of the year 1955 up to December 31, 1955; Application in respect of the foregoing may be made herein at the foot of this judgment for such appropriate relief as may be just and proper; and it is further

10. ORDERED, ADJUDGED AND DECREED, that the decision and judgment here and the directions and provisions enumerated, shall not in any wise restrict or limit, or be considered as attempting such limitation or restrictions of the right of the parties herein to review or appeal same in regular course, and further mindful of applicable principles of law and equity, international treaties, comity, and res judicata and the reciprocal rights and obligation of the jurisdiction of this court and of all other jurisdictions, they shall not in any wise restrict or limit, and shall not be regarded as attempting to restrict or limit the due and lawful exercise of jurisdiction in law or equity of any other court or tribunal; and it is further

PX 1516 858A



*Judgment (Ripley Action).*

11. ORDERED, ADJUDGED AND DECREED, that:

(a) the complaint is dismissed upon the merits with respect to diesel oil import shipments of Compania Agricola de Guatemala, wharfage on United Fruit Company and Compania Agricola de Guatemala import shipments and division of rates between United Fruit Company and International Railways of Central America on coffee export shipments of others via Barrios, and

(b) a nonsuit is granted without prejudice with respect to division of rates between United Fruit Company and International Railways of Central America on import shipments of others via Barrios as not within the pleaded issues in this case; and it is further

*12. ORDERED, ADJUDGED AND DECREED, that jurisdiction is hereby reserved to enter at the foot of this judgment such judgment or order, or orders as may be appropriate and proper on any and all motions and applications including without limitation, to supplement the damages herein awarded, to stay or enjoin any parties from seeking to thwart or frustrate this judgment, and therefor to invoke a different jurisdiction on the issues here determined, or for construction in the interest of clarity of any provision or direction herein, or for stay of execution and time to make a case on appeal, and for deposit of money for the damages awarded or security therefor and for costs and such motions or applications shall be made to a Special Term of the Supreme Court, New York County, in respect of the relief granted herein or for such other or further relief as may be required; except that application for counsel fees, other fees, allowances and expenses

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* As modified by judgment of the Supreme Court of the State of New York upon the Order of the Appellate Division and entered on June 29, 1959.

PX 1518

859A



*Judgment (Ripley Action).*

by the parties hereto or any of them, as they may be advised shall be made in accordance with the stipulation of the parties dated November 16, 1954 and the Order of Special Term, Part I made and entered thereon dated the 5th day of January 1955.

Judgment signed this 14th day of December, 1957.

ERNEST E. L. HAMMER
*Referee*

HYMAN W. GARUSO
*Acting Clerk*

Filed
Dec. 19, 1957
New York
County Clerk's Office

PX 1520

860A



affixing the amount of damages? I would say not.

He said that they should be enforced in all their terms, except as to the price terms which he rewrote.

We got to the word "amelioration" that he will speak of. He said, in substance, as to price, as I understand it, that judging by the public tariff of $130 a carload of bananas, which Mr. Borner adverted to, which is the true standard, United Fruit ought to pay that, said he, but for considerations which I will call amelioration, only begin the payment of the increase in 1945 and step it up $5 a year.

Some one of your Honors asked what he meant by amelioration, and I think it is fair to say what he meant was, first, some measurement of intangible benefits that United Fruit conferred upon the Railway in the 1936 consideration exchange and, second, the encouragement of helpful friendly relations between these two companies who are locked together in the same business unit in Guatemala.

He said both those things. That is what he called amelioration.

Now, I am jumbling my argument all to pieces,

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PX 1520

861A



rescind and insistence on enforcement of every term in the contract other than the price term, which was changed against our will.

At Clause 7 of the judgment under appeal here, Page 18, Volume I of the record: "Ordered the judgment and decreed that except as necessarily required to accord with the construction thereof stated in the decision and determined by this judgment, the terms and provisions of the agreement which were litigated in this action placed in evidence therein and set forth and referred to in said decision, are and shall continue to be, up to the date provided therein for termination, valid and binding on and between the parties thereto."

Now, that means, your Honors, these contracts are fastened on us. Whether we want to stop or not, we can't.

True, we don't have to ship bananas by this line; in a sense, we can let our bananas rot if we want.

CHIEF JUDGE DESMOND: What are the obligations?

MR. CARSON: Sir?

CHIEF JUDGE DESMOND: I say, what are the obligations?

PX 1520

862A



JUDGE VAN VOORHIS: Assume that the contract — you are saying that the contract ought to stay —

MR. CARSON: In its entirety.

JUDGE VAN VOORHIS: — as it is written, in its entirety, or be thrown out in its entirety.

If it is thrown out in any Court, you certainly want to retain the idea of preferential treatment?

MR. CARSON: I am not at all sure. No, sir. I am by no means sure.

Now, if this is going to be that we have got to give the substantial consideration we have given and still pay the public tariff of $130 a ton, despite the special character of our volume traffic, we would rather say, nothing at all.

We would rather build the port now. This is such a disastrous decision, your Honor, that it may be necessary and advantageous, if this Court will follow what was done below, to let the bananas rot on the ground. We don't have to pick the bananas and put them in the cars.

It would be a great loss to us, but not so great as the loss of this Court's judgment. We don't have to. The contract says, if we ship them, we've got to use the Railway.

PX 1520

863A



tempt to review as separate breaches of fiduciary obligation each shipment? No. This was an attack on a whole series of contracts going back to 1904, of which were all condemned by the Referee at the plaintiffs' instance as due to domination and control.

I can show you the beginning of the reference, Page 8, Volume 2, Finding 1: "Since the incorporation of Railways in 1904, it is been under the practical control of United. At all times relevant to this case; Railways has been under practical control", and so on.

Finding after finding and contract after contract, going up to the 1936 contract. They are voidable because due to domination, control, breach of fiduciary duty -- all wrong in our humble opinion; but, if right, giving rise to accrual of the cause of action, the right to relief under the Civil Practice Act as soon as the domination were made effective, complete with the contract being signed.

And why is that? Because every detail of the performance of the parties thereafter for twenty-five years is regulated by the contracts. If we ship bananas, we must ship by the Railway. If they

PX 1520

864A



found, in their ingenuity, a way that I can, and it is my duty to get money for my corporation even though it is based on principle I thought heretofore not to be the law.

He said, I understand, still the advice of his firm to the Railway Directors was independent, impartial and expert. He said the contracts were validly negotiated in '36 and were serviceable to the Railways, but he says, in substance, if the Court was willing to make an aggrievous error of this kind to bring cash into my till, I must change sides, and I do.

JUDGE FULD: Is this to the best interest of the Railway now?

MR. CARSON: No, I think it will break the whole relationship between the two companies.

JUDGE FULD: Not if the contract is still in force.

MR. CARSON: The Fruit Company doesn't have to grow bananas in the west, of course.

JUDGE FULD: It doesn't have to?

MR. CARSON: It doesn't have to; there is no law it has to grow bananas.

JUDGE FULD: It probably will, though.

PX 1520

865A



MR. CARSON: I don't know.

MR. VAN VOORHIS: Perhaps the defendants might be given some election whether they would prefer to have the contracts completely set aside without any preferential rate?

MR. CARSON: Yes, I suppose so. I suppose that could be done. But the plaintiffs have not asked for it. They want the money and they want the contracts. They want the prohibition against the port. They would not sit easy with our having the option and facility to build a port in six months and ship our bananas out straight by water into our own refrigerated steamers. They would lose all that.

They wouldn't sit easy under that at all. It is all very well for them to say the port is a sham. But they don't want to put us in a position where we can show by action it is not a sham.

They want your Honors' help to reform the contracts contrary to the agreement of the parties, to reform the contracts contrary to the abandonment of reformation in the pleadings, and to violate the rule of the Barr case by enforcing all the contracts except the prices and to change the price.

BAR ASSOCIATION REPORTING AND STENOGRAPHIC SERVICE
[illegible] WEST 44TH STREET, NEW YORK 36, N. Y., MURRAY HILL 7-0330

[RETYPE OF PX 1526] 866A

At a Special Term, Part I, of the Supreme Court of the State of New York, held in and for the County of New York at the Court House, Foley Square, Borough of Manhattan, City and State of New York, on the First day of March, 1961.

P R E S E N T :

HON. HENRY EPSTEIN,

Justice.

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CHARLES B. RIPLEY, etc., et al.,

Plaintiffs and Plaintiffs-Intervenors,

-against-

INTERNATIONAL RAILWAYS OF CENTRAL AMERICA and UNITED FRUIT COMPANY,

Defendants.

Index No. 5955/1949

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Upon reading and filing the order to show cause herein on behalf of T. Roland Berner, Esq., general counsel for the plaintiffs and plaintiffs-intervenors, dated December 16, 1960, the supporting affidavits of Sidney Bender, sworn to December 16, 1960 and of John A. Bonaudi and Harry Bijur, sworn to February 6, 1961, and the opposing affidavit of Porter R. Chandler, sworn to December 16, 1960, the notice of motion of defendant International Railways of Central America (hereinafter "IRCA"), dated January 18, 1961, the supporting affidavits of Frank I. Tennyson and Abraham K. Weber, both sworn to January 18, 1961, and the further affidavits of Abraham K. Weber, sworn to January 19, 1961, February 23 and February 27, 1961, and of Frank I. Tennyson, sworn to February 23, 1961, and the opposing affidavit of Sidney Bender, sworn to February 20, 1961, and the further affidavit of Porter R. Chandler, sworn to Janu-

cause dated February

PX 1526

867A

| | |
|---|---|
| Agricola note | $1,375,000.00 |
| (11) interest thereon through January 31, 1961 | 226,875.00 |
| | $1,601,875.00 |
| Net amount due as of January 31, 1961 | $7,537,721.42 |

(3) To said net amount there shall be added net interest (after allowing for offsetting interest on the Agricola note) at the rate of $1,062.86 per day from February 1, 1961, until the date of payment by United as set forth below.

(4) Defendant United is directed to make payment of the sums set forth in paragraphs (2) and (3) above by delivering to Morgan Guaranty Trust Company of New York (hereinafter "the bank") either a certified check or checks or a bank cashier's check or checks therefor payable to the bank for deposit to a special account entitled "International Railways of Central America - Ripley Judgment", and the bank is directed to deposit the proceeds of said check or checks to said special account and to hold the same subject to the provisions of this order and of further orders of this court.

(5) Defendant United is directed, contemporaneously with the making of payment pursuant to paragraph (4) above, to deliver to IRCA or to IRCA's attorney the Agricola note above mentioned, marked "Paid", together with all securities held by United as collateral for said note, and IRCA is directed to deliver to United or to United's attorneys an appropriate receipt for said note and collateral and IRCA is further directed thereupon to deliver said note to the bank to be held by it subject to further order of this Court.

PX 1526

868A

(6) Upon delivery of payment and the Agricola note and collateral pursuant to paragraphs (3) and (4) above, INCA is directed to execute and deliver to the Clerk of this Court a satisfaction of judgment in the form annexed as Exhibit A to this order, and the Clerk is directed to receive and file the same.

(7) Upon delivery of payment and the Agricola note and collateral pursuant to paragraphs (4) and (5) above, defendant United shall be discharged from all liability to any and all persons, whether or not parties to this action, with respect to the sums thus paid and further interest thereon and with respect to the disbursement thereof.

(8) Until the further order of this Court, defendant United shall pay or cause to be paid into the special account prescribed in paragraph (4) above all sums due and to become due from United or its subsidiary Agricola to INCA with respect to bananas and imported materials transported over the lines of INCA on and after January 1, 1961. With respect to each such payment INCA shall execute and deliver a satisfaction of judgment similar to that prescribed in paragraph (6) above, and defendant United shall be discharged from all liability with respect thereto, and with respect to the disbursement thereof.

(9) All sums deposited in the special account prescribed in paragraph (4) above shall be disbursed therefrom only in such manner and to such persons as this Court may hereafter direct, upon notice to counsel for all parties.

(10) Pending further direction from this Court, the bank is authorized to invest and reinvest the funds in said account, or any part thereof, in obligations of the United States Government or its agencies, or to retain the same in

PX 1527 869A



alone at $26,203,231 for a period of slightly less than thirteen years. To this they add interest in the amount of $9,252,881.47 (PX 4068). These stupendous sums have no other support in the record than the testimony of Mr. Geoghegan.

If in the mid-1930's IRCA had attempted to exact even a fraction of the sums suggested by Mr. Geoghegan—or even the much smaller sums awarded by the Referee—there would have been no possibility of any arrangement between IRCA and Agricola. The amount of damages claimed by plaintiffs in respect of the Agricola banana traffic alone, and only for the period from 1943 onward, would have been far more than enough to build and operate a whole series of West Coast ports over the whole period from 1936 to date. Even if we assume that there was no possibility of building a West Coast port and consequently no alternative route available, any attempt by IRCA to exact transportation charges even remotely approaching those for which plaintiffs contend or which the Referee has awarded would simply have caused UFCo to drop the whole idea of undertaking any large scale development on the West Coast of Guatemala. In view of its available facilities elsewhere, UFCo could never have justified, and would never have accepted, any such transportation cost. Indeed, UFCo would be compelled—if the present judgment were to stand—to consider closing down or greatly restricting that development, rather than continuing to pay the increases awarded by the Referee.

In this very connection, Mr. Sisto presented UF 825-27, which dealt with an arrangement in Costa Rica under which the Pacific Railway hauled bananas for UFCo from the West Coast of Costa Rica to San Jose, the capital of that country (SM

PX 1527 870A



ment on the West Coast of Guatemala. In view of its available facilities elsewhere, United could never have justified, and would never have accepted, any such transportation costs. Indeed United would be compelled—if the present judgment were to stand—to consider closing down or reducing that development, rather than continuing to pay the increases awarded.

It is considerations like these which were present to the minds of the Railways management and directorate when it negotiated the 1936 contracts, as well as the 1946, 1948 and 1952 amendments, and which show that the over-all figures agreed between the parties in those contracts represent a fair and reasonable exercise of business judgment. See the *Chelrob* case 293 NY 442, discussed at pp. 217-8 below. The public tariffs, which were not available until 1939, furnished no appropriate standard of measurement in view of the complementary and connecting-carrier relationship of United and the Railways, the large volume of traffic generated over the Railways' lines upon the basis of the new plantations on the West Coast, United's surrender of the West Coast port, the financing and equipment furnished by United, and the other special factors contributed by United in the long-term arrangements between the parties.

## POINT VI

### PLAINTIFFS-APPELLANTS' MAIN BRIEF FURNISHES NO GROUND AGAINST A REVERSAL AND DISMISSAL OF THE AMENDED COMPLAINT

The order of Chief Judge Conway made October 7 1959 upon a stipulation of counsel limited

871A

PX 1528 (excerpts)

Deposition of the plaintiff International Railways of Central America, by O. ROY CHALK, taken by the defendant pursuant to notice dated February 25, 1965, at the offices of Davis Polk Wardwell Sunderland & Kiendl, Esqs., One Chase Manhattan Plaza, New York, New York, on March 9, 1965, at 10:45 a.m., before Joel Hillman, a Certified Shorthand Reporter and Notary Public of the State of New York.

A P P E A R A N C E S :

LEVENTRITT, BUSH, LEVITTES & BENDER, ESQS.,
Attorneys for Plaintiff,
M. VICTOR LEVENTRITT, ESQ.,
SIDNEY BENDER, ESQ., of Counsel

Q In addition to your position in International Railways what other corporate affiliations do you now have?

A I am the president and chairman of the board of the D C Transit System of Washington, D. C. I am also president and chairman of the board of Trans Caribbean Airways. Let's say these are the major companies. There are a host of smaller subsidiary

ompanies.

Q Do you hold a position in Transportation Corporation of America?

A I am president and chairman of the board of Transportation Corporation of America.

MR. KRAKOWER: Excuse me. May I just say, Transportation Corporation of America had its name changed to Trans Caribbean Airways.

THE WITNESS: I am sorry. We still have Transportation Corporation of America.

MR. CARSON: I don't mind your refreshing your memory on the record, but I think it makes a confusing record if Mr. Krakower is going to be recorded.

THE WITNESS: Please don't interrupt unless I ask you a question.

My first answer was correct.

Q Tell us what is Transportation Corporation of America.

A Transportation Corporation of America is a company -- let's see -- it's a holding corporation, presently inactive.

Q In what state was it incorporated?

A I believe it is a Delaware corporation.

Q What relation does it have to the other two companies of which you described yourself as an officer?

A A wholly-owned subsidiary of Trans Caribbean Airways.

Q What relation does it now have to D C Transit?

A None, except an affiliate. The D C Transit System is a subsidiary of Trans Caribbean Airways.

The parent company, for your information, is Trans Caribbean Airways. It owns approximately 86 per cent of D C Transit System, 100 per cent of Transportation Corporation of America, and approximately, oh, better than 50 per cent of International Railways of Central America. So it is the major corporation in this particular group.

MR. CARSON: Would you read that answer, Mr. Reporter.

(Answer read.)

Q When did Trans Caribbean Airways acquire the percentage you named of International Railways of Central America?

A This I would have to check, dates.

Q Refresh your memory off the record.

(Discussion off the record.)

MR. CARSON: Would you read the question.

(Question read.)

A About three years ago, two and a half to three years ago, it acquired approximately 240,000 shares of the common stock, of which there were 500,000 shares outstanding. It subsequently acquired additional shares in the open market following the first acquisition of the 200-odd thousand shares I have referred to, and it again subsequently acquired additional shares to bring it up to its present status of 340,000 shares on a tender for exchange between Trans Caribbean Airways and various stockholders of International Railways.

Q So now Trans Caribbean Airways is, I think you have said, an 80 per cent stockholder as to common stock?

A No. 80 per cent of D C Transit. As to common stock, it has approximately 340,000 shares out of 500,000.

Q I am now talking about IRCA, when I speak about 80 per cent of the stock.

A That is what I am talking about.

Q In other words, I must have misled you. Do I correctly understand that Trans Caribbean Airways owns 80 per cent of the stock of IRCA common?

PX 1528 876A 19

Q Did Mr. Yaeger tell you why he thought International Railways would be of interest to you?

A Well, he thought it was a very difficult situation, and I --

Q This is what he said?

A Yes. (Continuing) -- and I usually go where angels fear to tread, so I suppose that might have been his reason.

Q Can't you give any more details from your recollection of what he said?

A I can't at this moment.

Q What was difficult about the situation?

A Well, first, they were losing very substantial sums of money. I guess the other reasons don't count.

Q Tell us the other reasons. I would like to know, if you will oblige us, Mr. Chalk, your best memory of that conversation.

A At this moment I don't recall the conversation. I would only be guessing at it.

Q Without giving us exact words, can you tell us the substance of what Mr. Yaeger said on that conversation --

A The substance was that here was a difficult situation.

Q You have told us it was losing money. What other kinds of difficulty were there?

A He had some copies of annual reports of previous years which he gave me which supported his contention, that it was pretty much at the bottom of an economic condition so far as becoming a revenue producing company, that it was quite run down, and that it had only one direction to go; that was up, because it couldn't get any lower.

PX 1528 878-A



Q How about Paragraph 8; who gave you those names of banana-producing countries?

A Oh, that? Jack Fox.

Q Mr. Fox gave you those?

A Yes, among others.

Q Can you tell me about the time he gave them to you, this information to you?

Defendants' Objection - not responsive

A Oh, at various times, when he threatened to

PX 1528 879A



pull the production out of Guatemala, and move it to these various countries.

Q I will ask you about that so-called threat later. I am now asking you about the period or the date.

Can you give me an approximate date when he informed you about the banana-producing countries?

A Well, it was over a period of a year and a half, I suppose. Your letters would indicate the dates.

Q Around the dates of these letters?

A The dates, and the references made to conversations.

PX 1528

880A



Q Will you tell us all you can remember about your conversations with United Fruit Company about the consent decree or the abandonment of the Tiquisate area?

A Well, my recollection of my conversations would be a series of conversations, in person, on the telephone, in Washington, in New York and in Boston, with Mr. Fox, sometimes with Mr. Sunderland. I think on one occasion in Boston Mr. Sunderland was called in to sit in on the conversation.

And in respect to those conversations, they originally started when I first told Mr. Fox that I thought the tariffs that had been established by the United Fruit Company were unreasonably low in relation to general tariffs, and what would be a proper tariff in the haulage of bananas, and Mr. Fox took the contrary view, naturally, that it was a high tariff. So we had a difference of opinion.

PX 1528



Mr. Fox and I were on a friendly relationship, and we still are, in so far as -- we didn't get hot about it or get excited, but we maintained our divergent points of view as to what was a fair price and what was not a fair price.

At some stage of the conversations Mr. Fox informed me that they had been laying out plans to abandon Tiquisate, part of a program, and that they were shifting their operations to other areas of the world, and that unless I substantially dropped the rates, that they would go forward with their program of abandoning Tiquisate, at which time I informed Mr. Fox that I had been advised by my attorneys that they had no right to abandon Tiquisate, and that they had received communications from our attorneys which indicated our serious objection to that.

Then there were these series of meetings and telephone discussions, when Mr. Fox came to visit me in Washington, and later in New York, in which he indicated that he was going forward on an abandonment of Tiquisate, and I indicated that he would be breaching an agreement.

Somewhere down the line -- I don't recall whether it was in the New York conversation or in the

Boston conversations -- I told him that we would expect him to continue the banana production, and that it would be -- if he was going to abandon it, that he would either sell the lands to my organization or to independents who would continue to produce the bananas, so that we would not be deprived of the traffic, and I think it was in Boston at that time that he said "Well, we have been selling off some of this banana land to certain of our former employees, and I don't know how much we have got left. We have already initiated a sales program."

I said, "Well, tell me, how much do you have left?"

He said, "I am not sure. I think it was about 30,000 acres that were left."

I said, "Would you be willing to sell it to us or to any independent producers there so that they could continue to produce bananas?"

This, in effect, was the phraseology.

He said, "Yes, we would be very glad to sell it to you. As a matter of fact," he said, "it might well fit within the order of the Department of Justice," which you had over here --

Q You are referring to the consent decree,

PX 1528



Defendant's 8 for identification?

A Referring to the consent decree.

And I said, "Well, what do the terms of your consent decree provide?"

He said, "I will bring it out."

That is when I read a copy for the first time in Mr. Fox's office, although I heard about it, that was the first time I read it.

He said, "Well, you know, this area in Tiquisate could probably produce the" -- I think he said -- "the nine million stems requirement in that order."

I said, "That's fine."

Is it nine million? Yes.

I said, "That's fine. We would be very much interested in discussing the acquisition of the land, if you will give us first the details."

He said, "Well, I will have to check and see what was sold, and we would have to check with the Department of Justice to see whether they would consider such an arrangement as fulfilling in whole or in part the requirements of the consent decree."

I said, "That sounds very interesting. I have my office in Washington. Why don't you and I

PX 1528 884A



meet in Washington and go over to the Department of Justice."

At that point I think he brought in Mr. Sunderland, and Mr. Sunderland said, "Well, we can't meet you there. However, we will have one of our attorneys meet you in Washington and go over to see the Department of Justice and see if -- how they feel about this as a solution to our problem involved in the consent decree."

I don't recall the exact date that a meeting was arranged. Say within the next two weeks.

A meeting was arranged at the office of the Department of Justice with an attorney representing the United Fruit Company whose name I do not recall, but who was -- you probably have his name there.

Q I gave it to you before. Mr. Blow.

A (continuing) -- Mr. Blow, and we met in the Department of Justice, in Mr. Orrick's office. It was a full staff meeting.

The subject of the consent decree was presented. We indicated that we were prepared, ready, willing and able to purchase these lands and consider the possibility of going into the production of bananas

endants' jection reasor impressio next page

in order that the Guatemala production would continue and that our employees would not be put out of work, which would result from the Tiquisate abandonment.

The discussions were very amiable. The impression which we gained from the meeting was that the Department of Justice would not be adverse to the possibility of this coming about, that they would study it carefully, but they did not at that time present any serious objection. They indicated they would consider it and give it fair consideration.

My own impression of that meeting was that had the United Fruit Company pursued its request for permission, it is possible that the consent decree would have been satisfied, assuming that the Department of Justice would have been willing to take a favorable view of the transaction.

Now, there was no assurance given us, and it is my impression only, and I believe it was the impression of the United Fruit Company attorney, that it was very likely.

MR. CARSON: I move to strike out the portions of the testimony that quote impressions.

Q According to my information, the meeting in the Department of Justice was December 18, 1963. Does

PX 1528 886A



that accord with your recollection?

A Whatever the date was. I think that is probably correct.

Q Have you finished your answer to my general question as to what your conversations with United Fruit were on the subject of International Railways, the consent decree and the abandonment of the Tiquisate area?

A No. Subsequent to these conversations at the Department of Justice I telephoned and spoke with Mr. Fox, gave him a report of the meeting in person, which he undoubtedly had received from his attorney, and said, "We are ready, willing and able to proceed. Your move."

Following which time went by. Now, I don't recall how much time. It might have been a month or so. I didn't hear from Mr. Fox, and then I called Mr. Fox, and then I think there was some correspondence, and lo and behold, Mr. Fox found that he had made some grievous errors.

Q That is, he told you that?

A He put it in writing. I recall that in one of his letters, and I believe on the telephone, yes, on the telephone, too, he said that he had miscalculated,

efendants' objection ersay if lened to e truth of ertions

they didn't have 30,000 acres available. As a matter of fact, there wasn't anything left, everything had been sold out, and that he regretfully could not cooperate in this operation, that most of it had been sold to the cotton growers, and that there would be no further banana production in that area --"

Q Was that the end of your conversations with United Fruit on these matters?

A I don't know. I would have to check. I think that was about the substance of that. There might have been a telephone call or two after that.

PX 1528 88BA



Q At page 18 I asked you to produce whatever memorandum you had fixing the date of your meeting with Louis Yaeger. Have you found that?

A I spoke with Mr. Coleman, and his recollection was that it was sometime in February, March, something like that.

Q Does that accord with your recollection?

A It was about that. I think I made mention it was sometime between January and July. He thought it was closer to the beginning of the year.

Q Now, I asked for an excerpt from your diary on the subject. Have you found it?

A No, I have not.

PX 1528 889A



Q At page 34, I asked you for a copy of ar written report rendered to you, other than



of correspondence rendered by your counsel, about acquisition of International Railways stock or control by you or your company.

MR. BENDER: I want to -- let's stop this now, Mr. Carson, if I may, because I want to take the position that any such report is irrelevant to this lawsuit, the issues in this lawsuit, and it is not likely to lead to discovery of relevant evidence. On that basis, I would not permit any such report to be furnished to you if ther was one.

MR. CARSON: Well, let us first find out if there is one.

Q Is there one, Mr. Chalk?

A I don't believe so, other than public records, Standard & Poor, the various annual reports.

PX 1528 890A



Now, at pages 53 and 54 you referred to a statement by Jack Fox to you -- I can show it to you -- where you said: "At various times when he threatened to pull the production out of Guatemala and move it to these various countries."

Now my question is: Tell us the exact time and place of the conversation at which you say any threats were made and tell us what the substance of the threats were.

A I think I have already answered that.

Q All right, I think perhaps I know what you mean.

Let me put it this way: Mr. Fox did not use the word "threat," did he?

A Well, if you can interpret a statement that he is going to terminate his production in Guatemala, certainly that is a very serious threat to the economy of my company.

Q Well then, is your answer that the

PX 1528



word "threat" is your interpretation of what he said; is that it?

A I don't recall exactly what the words were, so I would not say he did or he did not say "threat."

PX 1528 892A



Q You just now said that you thought you had answered my question about "threat," and I take it you were referring, when you so stated, to the long answer you gave about your conversations with United Fruit beginning at page 82, which I show you. Just look at that and see if that is what you meant.

A I meant exactly what I said.

Q Well, I am afraid you misunderstand me. I am just trying to determine what you were referring to just now when you said you had answered the question about the "threat." Do you remember my having said that?

MR. BENDER: I object to that. Why don't you ask him a new question. You are trying to characterize something now, and characterize his testimony.

MR. CARSON: I am not trying to characterize anything. I am trying to clarify the

PX 1528

893A



witness' answer.

Q Do you remember, Mr. Chalk, having just now said, when I first began to question you about Mr. Fox's so-called threat, "I thought I had already testified about that"?

A Exactly what I said.

Q All right. Now, when you said you testified about it, were you intending to refer to your long answer at pages 82 to 85 --

A I was intending to refer to that answer and the other answers contained in the total testimony. If you will read through it, if you would like to be more specific in some phase of it, I would be delighted to answer your questions.

PLAINTIFF'S EXHIBIT
PX 153
FEB 1 - 1974

894A

From: JOHN M. FOX

To: Tel Counselor

Date 10/4/63

T. E. D.

Being as resigning tropical costs. Should be able to take a dear on this in about a week.

J.

PX 1532 895A

From the desk of
THOMAS E. SUNDERLAND

10/3/63

To J M Fox

J. M. FOX

We should get a profitability study from Herbig soon and then make a prompt decision. Looks good from the basis of these facts.

Please discuss with me as soon as you have some data

T. S.

PX 1532 896A

P-4-Panama
P-5-T

MEMORANDUM

September 27, 1963

Mr. Fox:

I have reference to our conversation regarding conversion of Gros Michel areas to Cocos in Golfito and Armuelles. In this connection attached is copy of a letter I wrote you on March 4, 1963, concerning conversion to Cocos in the Tiquisate Division which will be of interest.

There are two things that could be done to increase our percentage of low-growing varieties for 1965. They are:

1. Planting as much Valery acreage in Bananera as possible during 1964 from the seed available in Bananera and Tiquisate. It is recommended that this be given consideration. We could decrease the acreage of associate producers in Honduras correspondingly if it is desirable.

2. Replace all possible long-life Gros Michel acreage with Cocos in Golfito and Armuelles. Because of the seed situation, it would not be possible to do this with the Valery variety in 1964, but if the program were extended into 1965, Valery could be used.

We believe such a program is possible; however, if carried out, it should be inaugurated at an early date since we will have to start leaving extra suckers in our Cocos cultivations to be used for seed.

In the case of Cocos, the extra cost for conversion would probably be around $50.00 to $60.00 an acre, but we would want confirmation of this from the tropics. We would also like to get estimates of the acreage that could be converted in 1964. If the program is started right away, production would be substantially increased in 1965. For example, present estimates from Golfito and Armuelles for 1965 are as follows:

| | Stems per Acre | | |
|---|---|---|---|
| | Cocos | Gros Michel | Increase |
| Golfito | 310 | 250 | 60 |
| Armuelles | 350 | 250 | 100 |

In other words, if 5,000 acres were converted in each division during 1964, the increase could be 800,000 stems, or approximately 1,360,000 boxes a year, commencing in 1965 and each remaining year of life of the cultivations. Estimating an average of three years' life, this would result in 4,000,000 boxes for the period. For an investment of some $600,000, we would get an additional 4,000,000 boxes. This would be low-cost fruit investmentwise.

R. O. Miller

Attachment

PX 1532

897A

MEMORANDUM

March 4, 1963

Mr. Fox:

You will be interested in the following information in the Tiquisate Annual Report for 1962:

"During the year we shipped 1,961,553 stems of fruit, of which 70,023 stems were boxed in 96,719 boxes with a box factor of 1.38 boxes per stem or .72 stems per box. Eighty-three per cent of the total fruit shipped went to the European Market. One Hundred and thirty-seven stems per acre to total shipped. Cost per stem was $2.593 as compared with $2.385 for the previous year.

"It is interesting to note that from 669 acres of Cocos (433 acres at Izabal and 236 acres at Tecpan), which are the only two large blocks of Cocos we have in the Division, 369 stems were reaped per acre. The average weight for this fruit, which was shipped to Europe, was 81.6 pounds for Izabal and 79.1 pounds for Tecpan, making an average of more or less 80 pounds per stem.

"We calculate that the European Gros Michel fruit did not average more than 65 pounds during the year, which is 15 pounds lighter than the Cocos. Using these figures, we harvested approximately 8,320 pounds per acre from the Gros Michel areas compared to 29,520 pounds per acre from the Cocos areas."

You may know that at one time we had a program in Tiquisate to replant with Cocos bananas all Gros Michel areas severely blown down by windstorm. The cost of such conversion was estimated at $48.00 additional expense per acre and production was not affected materially the first year. This program was stopped when it was decided Cocos fruit was inferior to Gros Michel and unacceptable to our trade. If this program had been carried out as planned by the Production Department, shipments from Tiquisate during 1962 would have been about 200% greater than actual shipments.

It is interesting to speculate that, if, after heavy blowdowns in past years, the entire Gros Michel acreage had been converted to Cocos at a cost of about $750,000, the profit from the Tiquisate Division in 1962 might have been well in excess of $5,000,000 instead of the loss of $1,300,000 which actually occurred.

R. O. Miller

ROM:ECN

898A

[Retype of PX 1533]

MEMORANDUM

February 21, 1964

Mr. J. M. Fox

Re: Mexico

Attached is a letter to me from Bob Hill dated January 2nd which merely acts as a reminder of the fact that the Board of Directors has asked us to keep in touch with developments in Mexico. As you know, banana competition from there almost bankrupted the United Fruit Company at one time, but Sigatoka disease took over and they were unable to handle it.

I think someway or other we should work out arrangements to keep a running check on what is happening with regard to banana production in Mexico generally. I'm not sure exactly how this should be done, but I'm sure you and Bing Miller can work out something in this regard. At least if we know what is happening then we are better prepared to take whatever steps may seem indicated by the circumstances at that time.

Can I assume that you will undertake a continual responsibility to keep on top of this problem.

TES/jm

Thomas E. Sunderland

PX 1534 899 A

AGRICULTURAL

Mr. Miller

# MEMORANDUM

January 27, 1961

Mr. R. O. Miller:

In reply to the recent verbal request of Mr. Keany, a revision has been made in our estimate of December 9, 1960, which covered the engineering cost of replanting 30,000 acres of Compania Agricola de Guatemala lands to Valery bananas. This revision was made necessary by the exclusion of certain areas originally considered as available for rehabilitation because of the decision to dispose of certain areas in Tiquisate. In the preparation of these estimates, the same bases were used as in the 30,000 acre TIRCO estimate of December 8 with the exception that unit prices have been varied to division conditions.

In the area now considered for development, existing cultivations amount to 15,894 acres with an adjoining area of 4,956 acres to be reclaimed from fallow conditions. The new area to be developed is 9,150 acres all lying below and alongside the Floresta District. This area was selected for the dual purpose of securing a more compact division and because of proximity to the Concepcion del Mar port site.

The inclusion of 4,800 additional acres of new land has resulted in an increase of approximately $100 per acre in overall project cost. The gross cost estimate of development is detailed below:

30,000 A VALERY PLANTING
COMPANIA AGRICOLA DE GUATEMALA

| Item | Total |
|---|---|
| Roads and Bridges | $397,200 |
| Drainage - Secondary | 153,300 |
| Primary | 147,700 |
| Levees | 83,000 |
| Irrigation | 2,680,700 |
| Railway | 600,000 |
| Buildings - Farm | 2,656,500 |
| Miscellaneous | 405,900 |
| Tools and Equipment | 583,100 |
| Telephones | 13,300 |
| Water Supply | 201,000 |
| Sewerage System | 137,000 |
| Heliports and Mixing Plants | 90,300 |
| Furnishings | 17,100 |
| Boxing - Plant | 1,200,000 |
| Labor | 840,000 |
| Total | $10,211,100 |
| Cost Per Acre | $340.37 |
| Cost 20,850 A - Existing and Rehabilitated | $113.75 |
| 9,150 A - New Farms | 856.78 |

PX 1534 900A

MEMORANDUM

December 9, 1960

Mr. R. O. Miller:

Pursuant to the verbal request of Mr. Jones, an estimate has been prepared covering the engineering cost of replanting 30,000 acres of Compania Agricola de Guatemala lands to Valery bananas. In the preparation of these estimates, the same bases were used as in the 30,000 acre TRSCO estimate of December 8 with the exception that unit prices have been varied to division conditions.

Existing cultivations of 18,272 acres were relatively easy to expand into areas of former cultivations to the extent of 25,650 acres. It is interesting to note that this portion of the development is estimated to cost $131.68 per acre, while the remaining 4,350 acres which were considered as a new farms development is estimated to cost $980.16 per acre.

The gross cost estimate of development is detailed below:

30,000 A VALERY PLANTING
COMPANIA AGRICOLA DE GUATEMALA

| Item | Total |
|---|---|
| Roads and Bridges | $313,000 |
| Drainage | 197,600 |
| Levees | 43,500 |
| Irrigation | 1,978,900 |
| Railway | 295,000 |
| Buildings | 1,584,300 |
| Tools and Equipment | 439,700 |
| Telephones | 8,700 |
| Water Supply | 131,400 |
| Sewerage System | 90,700 |
| Heliports and Mixing Plants | 76,600 |
| Furnishings | 11,300 |
| Boxing Plant and Housing | 2,040,000 |
| Total | $7,211,500 |
| Cost Per Acre | $240.38 |
| Cost 25,650 A - Existing and Rehabilitated | $131.83 |
| 4,350 A - New Farms | 980.16 |

PX 1534

901A

# VARIETY BANANAS
## 30,000 AND 40,000 ACRE PROJECTS

### TELA RAILROAD COMPANY

| District | Present Acreage | 30,000 Acres Near Port Six Districts | 30,000 Acres Expand Eight Districts | 40,000 Acres Company Associate Producer Farms | 40,000 Acres Acres Included |
|---|---|---|---|---|---|
| Progreso | 3,561 | - | 4,360 | 4,000 | - |
| Urraco | 3,412 | 5,500 | 4,150 | 5,500 | 5,500 |
| Nenapa | 3,940 | 4,900 | 4,000 | 4,900 | 4,900 |
| Pantano | 2,915 | 5,400 | 3,040 | 5,400 | 5,400 |
| Tolca | Above | 2,000 | 540 | 5,000 | 2,000 |
| Ulua | 4,624 | 8,200 | 5,630 | 8,200 | 8,200 |
| La Lima | 3,585 | 4,000 | 4,360 | 4,000 | 4,509 |
| Guarumas | 2,563 | - | 3,120 | 3,000 | - |
| Company | 24,620 | | | | 4,000 |
| Higuerito | 3,500 | | | | 1,000 |
| Santiago | 1,217 | | | | 100 |
| Echeverri | 188 | | | | 100 |
| Mesa | 103 | | | | 700 |
| Garcia | 700 | | | | 500 |
| Copen | 500 | | | | 2,000 |
| Nanyo | 2,000 | | | | |
| Associates | 8,208 | | | | |
| Totals | 32,828 | 30,000 | 30,000 | 40,000 | 40,000 |

# VARIETY BANANAS
## 30,000 ACRE PROJECTS

### COMPANIA AGRICOLA DE GUATEMALA

| District | Acreages Present | Acreages Proposed | |
|---|---|---|---|
| Siguacan | 6,268 | 8,900 | Rehabilitate Totonicapan and Esquipu |
| Nahualate | 5,865 | 10,550 | Rehabilitate ten Nahualate Farms |
| Floresta - Present | 6,139 | 6,200 | |
| New Lands | - | 4,350 | |
| Totals | 18,272 | 30,000 | |

### UNITED FRUIT COMPANY (HONDURAS)

| District | Acreages Present | Acreages Proposed | |
|---|---|---|---|
| Medialuna | 700 | 3,100 | Rehabilitate - entire |
| Los Andes | - | 6,400 | |
| South Motagua | 3,700 | 3,700 | Under Construction |
| Bobos | 4,000 | 9,300 | |
| Motagua | 1,700 | 7,500 | All available first class land |
| Totals | 10,900 | 30,000 | |

Engineering Dept.
Boston, Mass.

December 14, 1960

PX 1534

902A

CAG - 30,000 A. VALLERY BANAHAS

APPROXIMATE ACREAGE STATUS AND CLEARING COSTS

| District | Present Acreage | Fallow Status 10. Yr. or Less | New Land |
|---|---|---|---|
| Siguacan | 6,268 | 2,632 | - |
| Mahualato | 5,865 | 4,685 | - |
| Floresta | 6,139 | 61 | 4,350 |

Suggested Unit Costs Per Acre - Clearing

| | | |
|---|---|---|
| Present Acreage | - | $ 2.00 |
| Fallow Lands | - | 7.50 |
| New Land | - | 15.00 |

Engineering Department
Boston, Massachusetts
January 9, 1961

PX1550 PK 903A

BANANA FREIGHT RATES (Per Box)
(Effective March 1, 1966)

| Destination | Guat. & Honduras | Golfito & Armuelles | Santa Marta | Ecuador | Almirante | Dominican Republic | Nicaragua |
|---|---|---|---|---|---|---|---|
| N.Y., Balt. | .46 | .64 | .47 | .88 | .52 | .36 | .69 |
| Charleston | .35 | .56 | .37 | .65 | .43 | .29 | .63 |
| (a)Gulf Ports (N.O., Tampa) | .30 | .52 | .39 | .76 | .37 | .35 | .58 |
| Los Angeles | | .63 | | .81 | | | .56 |
| San Francisco | | .70 | | .88 | | | .61 |
| Seattle | | .84 | | .97 | | | .76 |

(a) Plus $4,500 per voyage on two port discharges involving two Gulf ports.

Minimum freight per voyage for arrivals to above ports shall be based on following boxes:

| | MINIMUM BOXES (75% Loaded) | | MINIMUM BOXES (75% Loaded) |
|---|---|---|---|
| Fra Berlanga Class | 92,250 | Almirante, Aragon, Atenas | 52,500 |
| Calamares Class | 78,000 | Leon, Lempa | 42,750 |
| Tenadores Class | 77,250 | Orotava | 33,750 |
| Musa, Platano | 64,500 | | |
| Yaque Class | 57,750 | | |

On two port discharges the banana freight would normally be calculated by multiplying the boxes to each port by the rate for the respective port. (See note (a) for two Gulf ports of discharge.) Should this result in a figure lower than the minimum for the same ship on a direct voyage to the further port, the total freight would be the minimum for the vessel at the rate to the second port, allocated as follows:

The boxes of fruit carried to each port of discharge multiplied by the distance from the tropical port will produce the box miles carried. The total freight is allocated over all box miles carried.

When a vessel loads at two ports which do not have the same freight rate, freight is computed on the combined minimum boxes (the present established minimum boxes plus 20 per cent) at the higher freight rate, allocated as follows:

The boxes of fruit carried from each tropical division multiplied by the distance from the tropical division to the port of discharge will produce the box miles carried. The total freight is allocated over all box miles carried.

Controller's Office
March 29, 1966 (No. 35)

PX 1550 90AA

BANANA FREIGHT RATES (Per Ton of 2000 lbs.)
(Effective November 1, 1962)

| Destination | Guat. & Honduras | Golfito & Armuelles | Santa Marta | Ecuador | Almirante | Dominican Republic | Nicaragua |
|---|---|---|---|---|---|---|---|
| N.Y., Balt. & Phil. | 20.60 | 28.50 | 21.00 | 35.75 | 23.00 | 16.00 | 30.75 |
| Charleston | 15.50 | 25.00 | 16.50 | 32.75 | 19.00 | 13.00 | 27.75 |
| a) Gulf Ports (N.O., Mobile, Houston) | 13.50 | 23.00 | 17.50 | 33.50 | 16.50 | 15.50 | 25.75 |
| Los Angeles | | 28.00 | | 35.75 | | | 24.75 |
| San Francisco | | 31.00 | | 38.75 | | | 27.00 |
| Seattle | | 37.00 | | 42.75 | | | 33.75 |

(a) Plus $4,500 per voyage on two port discharges involving two Gulf ports.

Minimum freight per voyage for arrivals to above ports shall be based on following tons:

| | MINIMUM TONS | | MINIMUM TONS |
|---|---|---|---|
| Fra Berlanga Class | 2,500 | Almirante, Aragon, Atenas | 1,400 |
| Calamares Class | 2,040 | La Playa | 1,200 |
| Tenadores Class | 2,000 | Orotava | 1,000 |
| Musa, Platano | 1,700 | | |
| Yaque Class | 1,600 | | |

On two port discharges the banana freight would normally be calculated by multiplying the weight to each port by the rate for the respective port. (See note (a) for two Gulf ports of discharge.) Should this result in a figure lower than the minimum for the same ship on a direct voyage to the further port, the total freight would be the minimum for the vessel at the rate to the second port, allocated as follows:

> The tons of fruit carried to each port of discharge multiplied by the distance from the tropical port will produce the ton miles carried. The total freight is allocated over all ton miles carried.

When a vessel loads at two ports which do not have the same freight rate, freight is computed on the combined minimum tonnage (the present established minimum tonnage plus 20 per cent) at the higher freight rate, allocated as follows:

> The tons of fruit carried from each tropical division multiplied by the distance from that tropical division to the port of discharge will produce the ton miles carried. The total freight is allocated over all ton miles carried.

Comptroller's Office
November 14, 1962 (No. 32)

PX 1550 905A

BANANA FREIGHT RATES (Per Ton of 2000 Lbs.)

| Destination | Guat. & Honduras | Golfito & Armuelles | Santa Marta | Ecuador | Almirante | Puerto Libertador |
|---|---|---|---|---|---|---|
| N.Y., Balt. & Phil. | 20.60 | 28.50 | 21.00 | 35.75 | 23.00 | 16.00 |
| Charleston | 15.50 | 25.00 | 16.50 | 32.75 | 19.00 | 13.00 |
| Gulf Ports | 13.50 | 23.00 | 17.50 | 33.50 | 16.50 | 15.50 |
| Los Angeles | | 28.00 | | 35.75 | | |
| San Francisco | | 31.00 | | 38.75 | | |
| Seattle - Vancouver | | 37.00 | | 42.75 | | |
| St. John, N.B. | 23.60 | 31.00 | | | 28.00 | |

Minimum freight per voyage for arrivals to above ports shall be based on following tons:

| | MINIMUM TONS | | MINIMUM TONS |
|---|---|---|---|
| Fra Berlanga Class | 2,500 | Almirante, Aragon, Atenas | 1,250 |
| Calamares Class | 2,040 | Iriona, La Playa | 1,200 |
| Mail Ships | 1,750 | Crotava, Telde | 1,000 |
| Musa, Platano | 1,700 | | |
| Yaque Class and Aztec, Maya, Toltec | 1,600 | | |

On two port discharges the banana freight would normally be calculated by multiplying the weight to each port by the rate for the respective port. Should this result in a figure lower than the minimum for the same ship on a direct voyage to the further port, the freight to the first port of discharge should be at the rate for that port and the freight to the second port should be the minimum for the vessel at the rate to the second port, less the actual freight to the first port of discharge.

When a vessel loads at two ports which do not have the same freight rate, the combined minimum tonnage shall be the present established minimum tonnage plus 20%; each port to be responsible for half the combined minimum tonnage, all freight to be computed at the higher rate. In the event one port exceeds its minimum shipments, the freight applied on the excess shall be deductible from deadfreight payable by the other port.

PLAINTIFF'S EXHIBIT 906A

PX 1551

MAR 1 - 1974

ESTIMATED BANANA IMPORTS U.S. & CANADA
(Millions of 40.8 lb. Box Equiv.)

| | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 |
|---|---|---|---|---|---|---|---|---|---|
| Importer | | | | | | | | | |
| United Fruit Co. | 46.3 | 53.9 | 55.4 | 56.5 | 49.9 | 44.7 | 48.7 | 45.8 | 36.2 |
| Others | 44.1 | 42.5 | 41.4 | 44.3 | 46.5 | 53.7 | 55.7 | 57.3 | 68.8 |
| TOTAL: | 90.4 | 96.4 | 96.8 | 100.8 | 96.4 | 98.4 | 104.4 | 103.1 | 105.0 |

3/8/74

PX 1551

907A

COMPETITIVE - U.S. & CANADA

By Division

(Thous. 40.8 lb. Boxes)

| | | Total |
|---|---|---|
| EAST | 1973 | 25,641.0 |
| | 1972 | 22,073.5 |
| | 1971 | 17,576.7 |
| | 1970 | 19,682.0 |
| | 1969 | 15,010.1 |
| | 1968 | 16,284.0 |
| | 1967 | 15,481.0 |
| | 1966 | 15,555.0 |
| CENTRAL | 1973 | 32,512.5 |
| | 1972 | 27,012.7 |
| | 1971 | 29,722.7 |
| | 1970 | 25,533.0 |
| | 1969 | 23,439.3 |
| | 1968 | 22,130.0 |
| | 1967 | 20,927.0 |
| | 1966 | 22,298.0 |
| WEST | 1973 | 10,636.7 |
| | 1972 | 8,304.6 |
| | 1971 | 8,425.6 |
| | 1970 | 8,380.3 |
| | 1969 | 8,064.0 |
| | 1968 | 6,034.0 |
| | 1967 | 4,935.0 |
| | 1966 | 4,616.0 |
| TOTAL | 1973 | 68,790.0 |
| | 1972 | 57,390.8 |
| | 1971 | 55,725.0 |
| | 1970 | 53,595.3 |
| | 1969 | 46,513.4 |
| | 1968 | 44,448.0 |
| | 1967 | 41,343.0 |
| | 1966 | 42,469.0 |

PX 155 / CIA. AGRICOLA DE GUATEMALA 908A 1964

COMPANY GUATEMALA

840-2 OFFICE/DIVISION

# PRODUCTION AND SHIPMENT STATISTICS FOR PERIOD ENDED DECEMBER 1

| | YEAR TO DATE | | | TOTAL YEAR | | |
|---|---|---|---|---|---|---|
| | ORIGINAL BUDGET THIS YEAR | ACTUAL PERFORMANCE THIS YEAR | ACTUAL PERFORMANCE LAST YEAR | ORIGINAL BUDGET THIS YEAR | LATEST ESTIMATE THIS YEAR | ACTUAL LAST YEAR |
| **BOXED FRUIT SHIPMENTS** | | | | | | |
| STEM EQUIVALENT | | | | | | |
| UNITED STATES | | 7977 | | | | |
| CANADA | | 275679 | | | | |
| EUROPE | | | | | | |
| TOTAL STEMS | | 283656 | | | | |
| BOXES | | | | | | |
| UNITED STATES | | 12480 | | | | |
| CANADA | | 366244 | | | | |
| EUROPE | | | | | | |
| TOTAL BOXES | | 378724 | | | | |
| **STEM FRUIT SHIPMENTS** | | | | | | |
| UNITED STATES | | | | | | |
| CANADA | | | | | | |
| EUROPE | | 1551630 | | | | |
| TOTAL STEMS | | 1551630 | | | | |
| **TOTAL SHIPMENTS-STEM EQUIVALENT** | | | | | | |
| PRODUCED | | 1835286 | | | | |
| PURCHASED | | | | | | |
| TOTAL | | 1835286 | | | | |
| UNITED STATES | | 7977 | | | | |
| CANADA | | 1827309 | | | | |
| EUROPE | | | | | | |
| TOTAL | | 1835286 | | | | |

# LATEST ESTIMATED PRODUCTION OF BANANAS (THOUSANDS)

| MONTH* | AVAILABLE FRUIT | | | | | ESTIMATED SHIPMENTS | | | |
|---|---|---|---|---|---|---|---|---|---|
| | BOXED FRUIT | | TOTAL BOXED AND STEM FRUIT | | | | | | |
| | BOXES | STEMS | PRODUCED | PURCHASED | TOTAL | BOXES | STEMS | TOTAL STEM EQUIVALENT | COST |
| January | 105 | 73 | 437 | | 437 | 105 | 73 | 437 | 651.8 |
| February | 94 | 67 | 305 | | 305 | 94 | 67 | 305 | 651.4 |
| March | 57 | 43 | 478 | | 478 | 57 | 43 | 478 | 807.7 |
| April | 55 | 44 | 344 | | 344 | 56 | 44 | 344 | 541.9 |
| May | 56 | 44 | 330 | | 330 | 56 | 44 | 330 | 432.7 |
| June | 11 | 8 | 107 | | 107 | 11 | 8 | 107 | 376.9 |
| July | | | 54 | | 54 | | | 54 | 211.0 |
| August | | | | | | | | | 7.4 |
| September | | | | | | | | | 614.9 |
| October | | | | | | | | | 33.9 |
| November | | | | | | | | | - |
| December | | | | | | | | | .4 |
| TOTAL YEAR ESTIMATE | 379 | 284 | 1835 | | 1835 | 379 | 284 | 1835 | 4463.6 |

*ACTUAL BY MONTHS PERIOD TO DATE AND ESTIMATE BALANCE OF YEAR BY MONTHS.

TOTAL BOXES SHI... COMPANY

# COMPARATIVE STATEMENT OF EARNINGS BY TROPICAL DIVISIONS (BANANAS ONLY)

TOTAL YEAR 1961

1/24/62

| DIVISION | | EARNINGS (Thousands) This Year | EARNINGS (Thousands) Last Year | AVERAGES PER 100 LBS. Sales This Year | Sales Last Year | Tropical Cost (a) This Year | Tropical Cost (a) Last Year | Ocean Freight This Year | Ocean Freight Last Year | Terminal (b) and Transportation This Year | Terminal (b) and Transportation Last Year | Selling Expense This Year | Selling Expense Last Year | Headquarters Expense This Year | Headquarters Expense Last Year | Total Cost This Year | Total Cost Last Year | Earnings This Year | Earnings Last Year | STEMS INVOICED (Thousands) This Year | STEMS INVOICED (Thousands) Last Year | AVERAGE WEIGHT PER STEM SOLD (Stem Fruit) This Year | AVERAGE WEIGHT PER STEM SOLD (Stem Fruit) Last Year | DIVISION |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ARMUELLES | U. S. & Can. (c) | $7,214 | $11,190 | $5.94 | $6.23 | $2.26 | $2.11 | $1.50 | $1.63 | $.44 | | $.12 | $.15 | $.20 | $.23 | $4.54 | $4.42 | $1.40 | $1.81 | 6,416 | 7,726 | 81 | 80 | U. S. & Can. |
| | Europe | 255 | 54 | 4.06 | 3.83 | 2.25 | 2.10 | | | | | | | .19 | | 2.44 | 2.10 | 1.62 | 1.73 | 226 | 47 | 70 | 66 | Europe |
| | Total Armuelles | 7,469 | 11,244 | 5.88 | 6.22 | 2.26 | 2.11 | 1.46 | 1.63 | .43 | | .13 | .15 | .20 | .22 | 4.48 | 4.41 | 1.40 | 1.81 | 6,642 | 7,773 | 81 | 80 | Total Armuelles |
| BOCAS | U. S. & Can. | -3,657 | -2,764 | 5.85 | 4.70 | 8.01 | 7.29 | 2.17 | 1.37 | .48 | | .16 | .16 | .24 | .26 | 11.06 | 9.38 | -5.21 | -4.68 | 999 | 766 | 85 | 78 | U. S. & Can. |
| | Europe | | | | | | | | | | | | | | | | | | | | | | | Europe |
| | Total Bocas | -3,657 | -2,764 | 5.85 | 4.70 | 8.01 | 7.29 | 2.17 | 1.37 | .48 | | .16 | .16 | .24 | .26 | 11.06 | 9.38 | -5.21 | -4.68 | 999 | 766 | 85 | 78 | Total Bocas |
| COLOMBIA | U. S. & Can. | | - 2 | | | | | | | | | | | | | | | | | | | | | U. S. & Can. |
| | Europe | 594 | -4,197 | 4.00 | 3.67 | 3.65 | 5.18 | | | | | | | .19 | | 3.84 | 5.18 | .16 | -1.51 | 7,436 | 5,734 | 51 | 50 | Europe |
| | Total Colombia | 594 | -4,199 | 4.00 | 3.67 | 3.65 | 5.18 | | | | | | | .19 | | 3.84 | 5.18 | .16 | -1.51 | 7,436 | 5,734 | 51 | 50 | Total Colombia |
| GOLFITO | U. S. & Can. (d) | 34 | -1,664 | 6.27 | 5.66 | 3.84 | 3.86 | 1.65 | 1.56 | .43 | | .14 | .15 | .20 | .22 | 6.26 | 6.09 | .01 | -.43 | 5,193 | 4,803 | 83 | 81 | U. S. & Can. |
| | Europe | 24 | | 4.15 | | 3.60 | | | | | | | | .19 | | 3.79 | | .36 | | 94 | | 71 | | Europe |
| | Total Golfito | 58 | -1,664 | 6.24 | 5.66 | 3.83 | 3.86 | 1.64 | 1.56 | .42 | | .14 | .15 | .20 | .22 | 6.23 | 6.09 | .01 | -.43 | 5,287 | 4,803 | 82 | 81 | Total Golfito |
| ECUADOR | [illegible] (e) | -2,805 | -1,478 | 5.17 | 5.59 | 3.10 | 3.11 | 1.85 | 2.04 | .43 | | .14 | .15 | .20 | .22 | 5.72 | 5.82 | -.55 | -.23 | 6,774 | 8,493 | 78 | 76 | U. S. & Can. |
| | [illegible] Ecuador | | | | | | | | | | | | | | | | | | | | | | | Europe |
| | Total Ecuador | -2,805 | -1,478 | 5.17 | 5.59 | 3.10 | 3.11 | 1.85 | 2.04 | .43 | | .14 | .15 | .20 | .22 | 5.72 | 5.82 | -.55 | -.23 | 6,774 | 8,493 | 78 | 76 | Total Ecuador |
| DOM. REP. | U. S. & Can. | -120 | -1,016 | 5.21 | 4.25 | 3.52 | 3.11 | 1.15 | 1.16 | .39 | | .14 | .16 | .20 | .24 | 5.40 | 4.97 | -.19 | -.72 | 996 | 2,181 | 65 | 66 | U. S. & Can. |
| | Europe | 1,739 | 1,544 | 4.29 | 4.09 | 3.41 | 3.11 | | | | | | | .19 | | 3.60 | 3.11 | .69 | .98 | 3,125 | 3,118 | 30 | 52 | Europe |
| | Reval. Res. | 333 | 333 | | | | | | | | | | | | | | | | | | | | | Reval. Res. |
| | Total Dom. Rep. | 1,952 | 861 | 4.47 | 4.16 | 3.33 | 3.00 | .23 | .55 | .07 | | .03 | .03 | .19 | .19 | 3.85 | 3.83 | .62 | .28 | 6,121 | 5,299 | 52 | 59 | Total Dom. Rep. |
| GUATEMALA EAST | U. S. & Can. | -1,465 | -1,327 | 4.69 | 4.82 | 5.32 | 6.47 | .94 | 1.11 | .39 | | .14 | .16 | .20 | .26 | 6.99 | 8.30 | -2.30 | -3.48 | 844 | 536 | 77 | 73 | U. S. & Can. |
| | Europe | -525 | -825 | 3.98 | 4.00 | 5.29 | 6.46 | | | | | | | .19 | | 5.48 | 6.65 | -1.50 | -2.65 | 503 | 325 | 61 | 59 | Europe |
| | Total Guat. East | -1,990 | -2,152 | 4.44 | 4.43 | 5.31 | 6.46 | .61 | .59 | .25 | | .09 | .11 | .19 | .14 | 6.45 | 7.74 | -2.01 | -3.31 | [illegible] | [illegible] | [illegible] | [illegible] | Total Guat. East |
| GUATEMALA WEST | U. S. & Can. | -1,536 | -2,569 | 4.52 | 4.70 | 3.72 | 3.91 | .98 | 1.08 | .38 | | .14 | .15 | .20 | .24 | 5.42 | 5.68 | -.90 | -.98 | 2,237 | 3,403 | 78 | 79 | U. S. & Can. |
| | Europe | 123 | 106 | 4.07 | 4.06 | 3.70 | 3.90 | | | | | | | .19 | | 3.89 | 3.90 | .18 | .16 | 1,170 | 1,115 | 60 | 61 | Europe |
| | Total Guat. West | -1,413 | -2,463 | 4.39 | 4.57 | 3.72 | 3.91 | .70 | .86 | .27 | | .10 | .12 | .19 | .19 | 4.99 | 5.32 | -.59 | -.75 | 3,407 | 4,518 | 72 | 74 | Total Guat. West |
| HONDURAS | U. S. & Can. | 2,730 | -3,875 | 6.15 | 5.11 | 3.86 | 4.30 | 1.01 | 1.11 | .42 | | .14 | .16 | .22 | .24 | 5.65 | 6.11 | .50 | -1.00 | 7,508 | 4,902 | 81 | 80 | U. S. & Can. |
| | Europe | 378 | -238 | 4.05 | 4.07 | 3.23 | 4.30 | | | | | | | .19 | | 3.42 | 4.30 | .63 | -.23 | 1,042 | 1,692 | 59 | 60 | Europe |
| | Total Honduras | 3,108 | -4,113 | 5.94 | 4.89 | 3.79 | 4.30 | .91 | .88 | .38 | | .13 | .16 | .22 | .19 | 5.43 | 5.73 | .51 | -.84 | 8,548 | 6,593 | 77 | 75 | Total Honduras |
| TOTAL | U. S. & Can. | 728 | -3,172 | 5.72 | 5.46 | 3.47 | 3.38 | 1.45 | 1.55 | .42 | | .14 | .15 | .21 | .23 | 5.69 | 5.61 | .03 | -.13 | 30,970 | 32,839 | 80 | 78 | U. S. & Can. |
| | Europe | 2,588 | -3,556 | 4.10 | 3.90 | 3.59 | 4.45 | | | | | | | .19 | | 3.78 | 4.45 | .32 | -.55 | 15,678 | 12,277 | 52 | 53 | Europe |
| | Total | 3,316 | -6,728 | $5.31 | $5.15 | $3.50 | $3.60 | $1.00 | $1.24 | $.32 | | $.11 | $.36 | $.20 | $.17 | $5.21 | $5.37 | $ .10 | $-.21 | 46,646 | 45,116 | 70 | 71 | Total |
| OTHER | | -64 | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL (EXCLUDING EUROPEAN COS.) | | 3,252 | -6,728 | | | | | | | | | | | | | | | | | | | | | |
| EUROPEAN COMPANIES | | 1,628 | 1,039 | | | | | | | | | | | | | | | | | | | | | |
| TOTAL BANANA EARNINGS | | $4,880 | $-5,689 | | | | | | | | | | | | | | | | | | | | | |

(a) See detail on reverse.

(b) Included as "Ocean Freight" and "Selling Expense" in 1960

(c) This Year includes 85,560 stems sold to Japan

(d) Last Year includes 38,716 stems sold to Japan

(e) This Year includes 14,460 stems sold to Japan

| | Earnings (Comp. Basis) | |
|---|---|---|
| U. S. & Can. | $-.07 | $-.35 |
| Europe | .60 | .20 |
| Total | $ .19 | $-.27 |

[illegible]'s Office
[illegible], 1962

PX 2234

910A

COMPAÑIA AGRICOLA DE GUATEMALA
Office of the Manager

Tiquisate, Guatemala
July 26, 1960

0.3.4
Zip-Grant

CONFIDENTIAL

Mr. R. O. Miller
Boston, Massachusetts

Dear Mr. Miller:

Last December 4th, I wrote you about the squatter problem below Ticanlú and Palo Blanco-Primavera Farms. At that time I recommended, and you agreed (your letter December 9th) that a 1500 meter wide zone be established back from the beach to be occupied by the squatters. We have made some progress in moving the squatters off the land we want to fence for pastures, but it is a slow and tedious process because of the politics involved.

We have received some help from the Agrarian Department, but recently this has dwindled to promises and no action. The labor that we have released form a part of those who encroach on Company land.

In discussing this subject recently in Guatemala City with Messrs. Folsom and Holcombe, it was suggested by the former that we turn over this land in a formal manner to the Government for partition. On doing so the Company would retain the privilege to establish and maintain right of ways for drains, roads, etc., in return the Government would clear all squatters from the land we plan to utilize and move them into these areas . It is felt that we should arrange for this donation to coincide with the formal notification that the Company proposes to lease its banana farms to Guatemalans, as well as dispose of certain lands for growing of cotton.

Enclosed is a plan showing the three areas, which Mr. Folsom suggested I submit for consideration:

Lot No. 1 is known as "El Jardin". There is a small settlement in this area. It would be preferable to cede this area to the Government. This settlement sits at the south end of the Nahualate area, which was recently fenced for cattle.

Lot No. 2. In your letter of December 9, 1959, you agreed to allow squatters to be moved into this area. We are meeting resistance from these people, who planted row crops and plantains in the right of way of the new Ticanlú drain. Settlement by the Agrarian Department is pending before we

PX 2234



can proceed with this work. There are still some die-hards in pasture 4 and around Huitzizil, who are holding out and resisting moving into Lot No. 2. Here again action on the part of the Agrarian Department has cooled off.

Lot No. 3. This area is not considered available for bananas. With the donation of this tract of land to the Government, it could be divided into lots and squatters re-established here.

Messrs. Folsom and Holcombe are well aware that a new look at our land holdings is indicated -- the pressure is on from all sides. If the Company does not plan to increase the acreage with Gros Michel or Cocos bananas, then it should consider disposing of the "La Garrucha" or "Coyolate" block of land in addition to Tiquisate lands rented for cotton. The opportunity is ripe, as there is considerable demand for land for cattle and cotton. We have numerous requests pending to sell or rent land. I have been holding off renting any more land in the "Garrucha" (Coyolate) and Nahualate areas until a definite decision is made with regard to the future livestock program for this division. We have not been advised on the outcome of the Heller Survey conducted in June, which I presume will have a bearing on the future of this division.

Kindly let me have your instructions.

Yours very truly,

W. T. van Diepen

Enclosure

cc: Mr. V. C. Folsom
Mr. R. A. Holcombe

PX 2302 PLAINTIFF'S MAR 11 1974

912A

MEMORANDUM

REC'D BY

OCT 21 1963

October 18, 1963

Mr. J. M. Fox:

As requested, we have analyzed expected cash results from 2 shipments on Yaque class vessels expected to load at Guayaquil in the week of October 26 for Baltimore or Baltimore-Charleston.

Involved are the following quantities:

| | | | | |
|---|---|---|---|---|
| Ship 1 | Stems | 23,000 | Boxes | 13,000 |
| 2 | | 35,000 | | 17,000 |
| | | 58,000 | | 30,000 |

To ship it to the States and receive current prices of $4 per 100 lbs. for stem fruit and $2.75 per box for boxed fruit we would realize a cash profit of some $27,000 and a book loss of $27,000 per voyage.

As opposed to this, if we did nothing and tied up a ship, we would have to absorb overhead of $55,000 elsewhere; but we save $25,000 cash by tying up the ship, leaving a net book loss of $30,000. As long as Ecuador prices remain at the present levels or increase, there is a cash advantage to continue Guayaquil imports to the United States providing loadings aggregate the quantities referred to above.

To leave stem fruit behind and bring in only 30,000 Ecuador boxes (average of 15,000 boxes per ship) would not be advisable as we would incur a cash loss of $10,000 and a book loss of $65,000 per voyage.

Assuming the quantities of box fruit could be increased the schedule which follows shows the improvement in this "all box" picture as quantities increase:

| Boxes | Cash Profit |
|---|---|
| 15,000 (as above) | (10,000) |
| 25,000 | - |
| 35,000 | 10,000 |
| 45,000 | 20,000 |
| 50,000 | 25,000 |
| 55,000 | 30,000 |
| 65,000 | 40,000 |
| 75,000 | 50,000 |

From the above it can be seen that we about break even with the box/stem voyage when we ship 50,000 boxes and begin to improve over the box/stem combination voyage when we ship about 55,000 boxes. Naturally, if relative box/stem selling prices change, the above results will change.

The situation as far as shifting Guayaquil fruit to Europe gets extremely complicated.

In the first place, Mr. Chapman points out that if this Guayaquil fruit were taken out of the United States market there would be almost no

PX 2302 913A



fruit currently available for the ports of Baltimore and Charleston. This would require re-scheduling if these ports were to receive any fruit, and such re-scheduling would involve extra ships and additional cost.

I called Admiral Cooper today to obtain his latest price information. He advised that the price for non-Ecuador fruit had gone to $100 per ton to Germany and that he was trying to get an increase from Scandinavia. In addition, Dutch Company is getting $170 per ton which is roughly equivalent to $120 F.O.B.

As to Ecuador fruit, Admiral Cooper advised that it was their definite policy to keep such fruit away from our own Dutch Company and that he was arranging to send it all to our F.O.B. customers. He anticipates that Ecuador fruit sold through the Dutch Company would currently bring a price of about $150 per ton or $20 less than our other fruit. Furthermore, the entrance of Ecuador fruit into the Dutch Company market would tend to cut down the price for the other fruit.

For the Ecuador fruit going to Germany and Scandinavia, the price will be $7[illegible] a ton F.O.B. effective with the Blexen cargo from Noboa. In addition, they will pay a bonus of $.60 for each Bolivar stem. Admiral Cooper does not anticipate any further near term increase in these prices as Stadtlander and Salen still believe they could obtain this fruit at a slightly lower price themselves.

Indications are that with the present supply situation in Ecuador, the weight of European fruit will decline and will probably be more like 60 lbs. per stem than the 70 lbs. per stem we obtained on the first few Noboa cargoes.

On the basis of 60 lb. stems, our cash cost for this fruit either purchased by Noboa or by our own organization is in the neighborhood of $70 per ton.

Since we are currently obtaining a net cash realization from the sale of Guayaquil fruit in the United States of approximately $27,000 per voyage (as outlined above), we would not be as well off on a sale of an equal quantity of Guayaquil stem fruit to Europe unless we could obtain an F.O.B. price in excess of $90 per ton.

WB. Mason

cc: Mr. A. E. Carpenter
Mr. W. J. Hoelle
Mr. A. J. Marquette
Mr. R. O. Miller
Mr. I. V. Chapman
Mr. V. J. Hewitt
Mr. W. F. Tilley
Mr. W. T. Van Diepen

OX 2372 St

# UNITED FRUIT COMPANY

GENERAL OFFICES, 30 ST. JAMES AVENUE
BOSTON 16, MASSACHUSETTS

RECD BY
AUG 7 1962
J. M. FOX

DEPARTMENT OF RESEARCH
TELEPHONE
HUBBARD 2-9700

August 6, 1962

Mr. Thomas E. Sunderland
President, United Fruit Company

Dear Mr. Sunderland:

The following summary annual report on Department of Research activities and accomplishments during 1961, has been prepared primarily for the information and guidance of tropical Division Managers, and is being distributed to them. In addition, because it attempts to present Research information in a concise manner that we hope will be appealing to all readers outside of our Department, copies are being sent to Company officers here in Boston and in Europe, and to interested Heads of Departments and Departmental Representatives.

The preparation of this summary report represents a departure from practice in the past when complete, full-length Research annual reports were given wide distribution in the Company. Because it is new, preparation of this summary has taken much longer than would normally be desirable. Plans are already being made for an improved summary report covering 1962, and I hope to be able to distribute this well in advance of the 1963 Annual Shareholders' Meeting.

Obviously this report does not pretend to cover all phases of our Research activities and is restricted primarily to results. For those who are interested in reading a more detailed account of all our investigations, copies of the complete 1961 Research Annual Report are available on request from my office.

I will be pleased to receive comments about this report and suggestions for its improvement.

Sincerely yours,

Dr. Dietz

cc: Mr. J. M. Fox
Mr. A. E. Carpenter
Mr. V. C. Folsom
Mr. J. B. Harris
Mr. W. J. Hoelle
Mr. R. A. Holcombe
Mr. J. A. Marquette
Mr. D. D. McConkey
Mr. R. O. Miller
Mr. J. G. Owen
Mr. J. H. Roddy
Division Managers

planted areas with abundant shade than in open plantings and this higher relative humidity is probably responsible for the larger amount of fungal infection. Maintaining open plantings is the best way to reduce damage. At certain times of the year, however, infection may occur in open plantings; under these circumstances, bagging of very young stems should keep out most of the inoculum.

Studies on transit diseases in Colombia. Gloeosporium musarum is the most common and serious cause of fruit rots in Colombia. This organism was found in large numbers on dead and decaying banana debris in the field, especially dead banana leaves, floral tissue, pseudostem tissue and petiole tissue. It was also present in rotted stalk, crown and peel tissues. It was not present in fresh pseudostem tissue or in the bisulphate rinse, or Dithane M-22 tanks. Fusarium roseum, found in crown rot, was present both on dead debris and in the air in the largest quantity of any of the fruit rotting organisms and at all times of the year. It was found in the bisulphate and rinse tanks, but not in the Dithane M-22 dip solution. Botryodiploidia theobromae, another crown rot organism, developed best on dead petiole and floral tissue but was also found on the surface of fresh banana tissue and was highest during October, November and December but this organism was not as prevalent as Fusarium roseum or Gloeosporium musarum.

Dithane M-22 remains the best all-around chemical tested for control of Gloeosporium fruit rots. Cultural practices helping to reduce Gloeosporium fruit rots include spraying bacadillas and railcars with hypochlorite, careful fruit handling and selection, cleaning and using fresh water in the bisulphate and rinse tanks, and using polyethylene bags.

POST HARVEST FRUIT HANDLING

Variety comparisons. Gros Michel was found to have a greater resistance to friction scarring than Giant Cavendish, Valery, Lacatan, Grand Nain or Jamaica Unknown (Robusta). Essentially no difference in average peel

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thickness was found between these varieties.

Gros Michel was less susceptible to cold injury than were Lacatan, Valery, Jamaica Unknown or Grand Nain.

Latex. Latex flow of cut hands amounts to 1-3 gms. per Kg. of fruit, the bulk of which is exuded in the first 6 minutes. Holding stems after harvesting for various lengths of time caused a reduction in the amount of latex flow experienced when the fruit was finally dehanded.

Container design. Injuries to bananas in boxes include vibration injury to the peel at points where the fruit contacts the interior surfaces of the box, where the fruit touches the edges of ventilation openings and where the crown of a hand rests on the fingers of another hand. A container having inside dimensions of 24 1/2" x 16 1/2" x 6 3/4" enables six or eight hands to be packed with no crown contact and very little sidewall contact. In simulated and actual transit tests a 50% to 70% reduction in vibrational scarring was obtained with this box. There is, however, less structural strength in this box than in the present box and it is not well suited to available loading facilities.

Location of the ventilation slots in fiberboard boxes is important in determining (1) damage to fruit, (2) mechanical strength of the box surface and (3) cooling efficiency. A 1" x 17" lengthwise slot top and bottom has been found to provide most efficient cooling but results in damage to bottom hands in the box.

Fiberboards and wirebounds are very different in the method of cooling. In wirebounds tight stacking is impossible and much of the cooling is from heat transfer through the sides of the box. In contrast, the fiberboard box produces a solid stack and cooling depends on the alignment of vent slots.

In-farm handling and transporting of bananas. When farm carts were equipped with leaf springs, damage to Lacatan fruit was reduced by 52% over that

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DIVISION OF TROPICAL RESEARCH 9/7A 1/8/63

PLANT PATHOLOGY MAR 11 1974

TO: Dr. W. G. C. Forsyth PLACE: La Lima, Honduras

FROM: G. R. Bauwin C/7 DATE: February 9, 1963

SUBJECT: Trip Report - Tiquisate - February 5/8

RESEARCH DEPT. FEB. 13 1963 ✓ ✓ H.C.C. S.R.C. ✓ P.F. ✓ P.C.B. File Carlos

The purpose of this trip was to determine the status of their variety trial and to initiate the recording of data.

The experimental area is located in Tolman Farm and was planted on June 23-30, 1962. Spacing is 10.5' x 10.5' square which gives 395 plants per acre. Land being utilized was in cotton for two years and is free of Radopholus similis. Seed treatment just prior to planting consisted of peeling, removal of growing point and immersion in 145°F water for 10 minutes.

The experimental design is a randomized complete block with eight replications. Our best varieties are under test namely: Valery, Giant Cavendish, Grand Nain and Jamaica Unknown. Each of the 32 plots is 7 mats x 7 mats or 49 mats in size. A 20' alley separates plots. Data will be derived from the central 5 mats x 5 mats or 25 mats.

Nitrogen is being applied in the form of urea at the rate of 350 pounds per acre per year. Time of application is February, May, August and November. The first application was put down in August, 1962. Each stem of fruit will be protected against loss via use of a double-pole bamboo prop. I suggested that as soon as fruit now hanging has been protected, they should prop once a week - on Thursdays. The undertree system of irrigation is being employed. Pruning is being conducted in such a manner that there is one mother plant and one follower per mat.

The experiment was found to be in excellent shape. Plants started to come into production the first week of January. Tagging of fruit was initiated during my visit. This operation is to be carried out every Wednesday. With regard to fruit cuts, all American grade fruit will be cut, brought out of the plots and weighed on Monday and Friday of each week.

The following data will be recorded by plots on a mat, crop and cumulative basis; month and year of shooting, reaping and loss; reason for loss (double, uproot or other - with or without support - normal or due to wind); weight; hands and caliper grade.

An anemometer station is being installed in the center of the experimental area. The station will contain three anemometers, one at 30' above ground level, one at 20' above ground level and the third at 10' above ground level. Meters will be read and then set back to zero each morning between the hours of 6:30 A.M. and 7:00 A.M.

I told Sr. Vicente Castañeda that I would be returning at 6 to 8 week intervals to check on the work and to summarize and analyse the data. I trust this will meet with your approval. As

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Dr. W. C. C. Forsyth: February 11, 1963.

far as I am concerned, this trial should go a very long way towards determining the future of Tiquisate as a banana division. Sr. Castañeda and others feel the same way. Consequently, the former intends to put a lot of effort into this trial.

Estimated yield last year was 130 stems x 70 pounds equals 9100 pounds or 4.6 tons per acre. Improvement depends primarily upon the resistance of these varieties to wind. In my opinion, Grand Nain ( probably the true Giant Cavendish) stands the best chance. Only time will tell. However, this variety is a bad "leaner" and will have to be protected by props or rope. Judging from the number and length of the props used in the division, this should be a minor problem. I have always felt that their props for Gros Michel and Cocos, although long enough to prevent uprooting, were too short to counteract doubling. They may even be too short for Valery, Giant Cavendish and Jamaica Unknown.

H. R. Bauwin

G. R. Bauwin

GRB/cdc

Copy sent to messrs
R. Hale
C. Alexander
T. Hale

PX 2441

PLAINTIFF

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MEMORANDUM

FEB 18 1963

J. M. FOX

February 15, 1963

Mr. R. O. Miller:

Subject: Valery Bananas -- In-Farm Handling

Attached for your information is a report summarizing research studies on in-farm transport of bananas. These studies were conducted with Valery fruit.

There is conclusive evidence that the monorail (i.e. cableway) system significantly reduces the incidence of bruising injury to fruit during farm handling. This results in (1) a substantial reduction in the amount of fruit discarded at the boxing station, and (2) a definite increase in the amount of first class fruit available for boxing.

Everything indicates that we must seek and introduce improved methods for handling Valery bananas in the farms. Scarring and bruising are reported to represent the second most important cause of customer complaints. And, as all are aware, Valery is more susceptible to handling injuries than are Gros Michel and Cocos.

Of the systems with which we are currently familiar, the monorail appears to offer the best ultimate approach to a reduction of this bruising problem during farm handling operations. I understand from Mr. Owen that a prototype monorail installation covering some 400 to 500 acres of Valery bananas is to be proposed for the Almirante Division immediately on receipt of recommendations from the Division as to preferred location. With this installation it will be possible to further develop and perfect the monorail system under commercial production conditions, and the Research Department enthusiastically concurs with these plans. Eventually we should look toward the installation of this system in all Valery cultivations.

Meanwhile, pending large scale development of the monorail system, one important corrective measure can be taken to reduce bruising injury to fruit in the farms. Instead of the paper blankets now used in Honduras, Amberlite-Vinylite blankets with nylon or plastic slip sheet inside should be considered for farm transport of Valery fruit. As indicated in the attached report, use of these Amberlite-Vinylite blankets with Aycock carts markedly reduced the percentage of fruit discarded; and such blankets have been used for some time in Tiquisate with excellent results.

W. T. van Diepen

cc: Mr. T. E. Sunderland - with attach.
Mr. J. M. Fox - with attach.
Mr. R. A. Holcombe - with attach.
Dr. H. L. Stier - with attach.
Mr. J. C. Owen - with attach.
Dr. W. G. C. Forsyth - with attach.